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Vol. II

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, [redacted] 1930

No. [redacted] 44

THE BEAUMONT, SOUR LAKE & WESTERN RAILWAY COMPANY, THE FORT WORTH AND DENVER CITY RAILWAY COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA, THE INTERSTATE COMMERCE COMMISSION, ET AL.

No. [redacted] 45

THE UNITED STATES OF AMERICA AND THE INTERSTATE COMMERCE COMMISSION, APPELLANTS,

vs.

THE BEAUMONT, SOUR LAKE & WESTERN RAILWAY COMPANY, THE FORT WORTH AND DENVER CITY RAILWAY COMPANY, ET AL.

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MISSOURI

FILED FEBRUARY 8, 1930

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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1929

No. 642

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vs.

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No. 643

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VOL. II

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cent increase. After discussion Attorney Towner said that he would try to find out if he could and report at the next hearing what increase the 14 per cent increase meant to the western trunk lines on Oklahoma business as applied to the [fol. 419] traffic of June, 1924 (Tr. 4607-4608).

The following is quoted verbatim from the Transcript of testimony:

Mr. Muckley: I have another request, and that is in view of the statement of Mr. Towner with reference to their attempt to settle this case and to arbitrate it, I would like to say that we have not been informed of what the western trunk lines want or what their position is and in order to permit us to intelligently act on the proposition of arbitration, we would like to have Mr. Towner state their position and what they want at this time.

Mr. Towner: I have not quite finished with the testimony. Would you rather go into it now or——

Mr. Muckley: I thought you were through. Are you going, in your further testimony, to show what you want,

Mr. Towner: Mr. Parsons was not done yet——

The Witness (continuing): The net debit joint facility rents on the Chicago Great Western in 1924 was $841,-703.02. The net debit hire of equipment, freight cars, was $426,408.33, the principal items being payments on private line tank and refrigerator cars. The ratio of transportation expenses to revenues on the Chicago Great Western in 1924 was 41.37 per cent; in 1923, 42.01 per cent (Tr. 4609-4610).

The mileage on the Chicago & North Western lines in Wyoming and Nebraska is 1,379.15 miles or 16.30 per cent of the system mileage. 7,083.68 miles or 83.70 lies in the states east of Wyoming and Nebraska, including North and South Dakota. That is all west and south of Chicago. In North and South Dakota there is 1,244.73 miles or 14.71 per [fol. 420] cent of the total mileage operated in 1924. The Chicago, Milwaukee & St. Paul in 1924 operated 10,988.92 miles. Of that 8,184.39 miles or 74.50 per cent was east of Montana. The mileage in Idaho, Montana, and Washington was 2,555.85 or 23.26 per cent. The remaining mileage of 246.46 or 2.24 per cent is the southeastern line extending

down into Indiana, the Chicago, Terre Haute & Southeastern (Tr. 4610-4611).

Some question was raised with respect to my inclusion of the Rock Island, the Santa Fe and the Missouri Pacific in the southwestern lines in connection with the statements that I offered. In 1924 these three railroads operated a total mileage of 24,041.04 miles. That mileage was distributed in this way: In the states of Illinois, Iowa and Minnesota, 3,453.22 miles, or 14.36 per cent. In Missouri, 2,542.03 miles or 10.58 per cent. In the states of Arkansas, Louisiana and Oklahoma 6,042.54 miles or 25.13 per cent, and in the other states 12,002.65 miles. I do not include Texas because these roads have no mileage in Texas operated under those particular names. The other states' mileage amounted to 49.39 per cent of the total (Tr. 4611-4612).

Now, adding the mileage of those roads in Illinois, Iowa, Minnesota, Missouri, to the mileage as shown in those states for the western trunk lines would bring the mileage is W. T. L. territory, that is, the six states of Illinois, Iowa, Michigan, Minnesota, Missouri and Wisconsin to 36,125.92 which would be 50.33 per cent of the total operated mileage of the fifteen roads represented, leaving in other states 35,653.14 miles, which is 49.67 per cent of the total (Tr. 4612).

Cross-examination:

The Chicago, Milwaukee & St. Paul operated 2,170.55 miles or 19.76 per cent of its total operated mileage in the states of North and South Dakota. All of my figures are [fol. 421] for the calendar year, 1924 (Tr. 4613).

The witness was thereupon excused and Attorney Towner announced that this completed the direct evidence with the exception of a few minor things which he might desire to introduce later.

COLLOQUY

Thereupon the following discussion occurred which is quoted varbatim from the Transcript of testimony:

Mr. Roberts: Mr. Towner, I want to make a request on behalf of the line that I represent. I was not here at the beginning of the hearing Monday and I am making the request on behalf of the carrier that I represent.

I am informed that you made the statement upon the record that the western trunk lines were willing to arbitrate this controversy. Now, speaking for my own line, we believe that the tribunal created for that purpose by Congress is the proper body to arbitrate our differences, especially since that body has instituted this investigation of its own motion, and we do not wish to defeat it of its right to pass upon the controversy, since it instituted this investigation.

However, since you have made that proposition upon the record, to take it away from the Interstate Commerce Commission and thus deprive it of its right to continue with this investigation of its own motion, we wish to consider your proposition, and in order to act intelligently upon it and in order to give you a proper answer within a reasonable time after the conclusion of this hearing, will you be kind enough to give the carrier that I represent the demand of the western trunk lines as to the divisions between the entire southwest to western trunk lines and state specifically what the western trunk lines deem to be reasonable, just and fair division.

You need not answer that now if you don't want to, but [fol. 422] will you give that answer to us in a written communication within, say, ten days after this hearing, so that we may reply to your request for an arbitration.

Mr. Towner: Well, I will say first—(Tr. 4613-4614).

Mr. Roberts: I am not asking it now. Will you give it in ten days?

Mr. Towner: You will find out now if you will just let me talk a minute.

Exam. Disque: I might say that the Commission, I think, would be very glad to be defeated, Mr. Roberts.

Mr. Roberts: If that is true, then I would like to get an answer to my question.

Exam. Disque: All right.

Mr. Towner: I was going to say on that point——

Mr. Roberts: So we can consider the proposition.

Mr. Towner: I was going to say that the offer to arbitrate of course is subject to the Commission's approval. If the

Commission prefers to hear the case and decide it itself, of course we have absolutely no objection to it, but I thought that possibly that method of procedure would relieve the Commission of what might be an ungrateful job.

Now, with respect to your other inquiry, I will say this: that my desire on behalf of the lines that I represent is to advocate, either to the Commission or to the southwestern lines, a set of divisions that I think is fair and justified by the evidence that may be put on this record. I could of course tell you what I think would be proper in the way of divisions if only our evidence was to be considered. I cannot tell you though what I think the divisions should be [fol. 423] and what divisions could be justified by the record unless the record is completed.

Now, I take that position as far as my own—— (Tr. 4615).

Mr. Roberts: This proposition is to take it off the record and leave it to arbitration.

Mr. Towner: I take it even in arbitration there is a record that the arbitrators would have to consider. I do not mean these arbitrators would act any differently, if they act, from how arbitrators ordinarily act in cases. They ordinarily act on the evidence and proof and argument that is put in before them. I do not want to be put in the position, either before you gentlemen, any court or before the Commission of advocating something that is not justified to some extent at least by the entire record and it would be obviously foolish for me to undertake to say now what the divisions ought to be when neither I nor anybody else has heard anything but one side of this case. I may change any ideas entirely after I hear the very able defense that will undoubtedly be put in.

Mr. Roberts: Then you will not comply with our request in order that we may act upon your request for arbitration by stating to us specifically what you demand.

Mr. Towner: I will say this——

Mr. Roberts: Within ten days. I am not asking it now.

Mr. Towner: I would not want to do it. What I am saying is that I cannot do it, but I would like to ask you a question now, if that is all right with you. Just what has

the question of what we want got to do with whether or not you will arbitrate?

Mr. Roberts: It has everything to do with it.

Mr. Towner: Arbitration merely involves the selection of the forum before whom you will arbitrate your difficulties. What difference does it make before any forum you [fol. 424] agree to as to what we want?

Mr. Roberts: It has everything to do with it.

Mr. Towner: That is a conclusion.

Mr. Roberts: That is a vital fact for us to know if we are going to arbitrate, just what you are specifically demanding.

Mr. Towner: Why?

Mr. Roberts: Because that question would determine our action in the matter.

Mr. Towner: In other words, if we do not want much——

Mr. Roberts: If you don't care to give me the information, that is all right.

Exam. Disque: If he asks for mileage pro rata, you would refuse to arbitrate?

Mr. Roberts: Just a minute.

Exam. Disque: If he asks for something less than a mileage pro rata you would arbitrate, is that it?

Mr. Roberts: There is no use of answering a hypothetical question. I would like to know what the western trunk lines specifically are requesting in the form of divisions. Then we can make an answer (Tr. 4616-4617).

Mr. Towner: We are requesting what is fair and proper and just, but I could not undertake to tell you what is fair and proper and just until I hear all of the evidence. I am certainly no better than the Commission in that respect.

Mr. Roberts: A man who brings a lawsuit usually knows what he wants in advance. I never saw a man who brought a lawsuit who did not know what he wanted.

Mr. Towner: I know, but I am a sort of an amicus curiæ here. I want to see justice done, that is all. But I cannot see for the life of me just what connection that question has [fol. 425] with the question of whether or not you are willing to arbitrate.

Mr. Muckley: Usually when you arbitrate something there is a definite dispute about something. Now, what is the dispute?

Mr. Towner: Let us set a precedent in this case.

Exam. Disque: The dispute is that they are supposed to be convinced in their own minds that they are not getting enough divisions.

Mr. Muckley: They have not said that yet.

Mr. Towner: I will state that as a matter of record, that I do not think the western trunk lines are getting enough money in the division of the southwestern rates.

Exam. Disque: But you are not prepared to say how much more you ought to have.

Mr. Towner: I do not know. How can I tell?

Mr. Muckley: If any.

Mr. Towner: If any.

Mr. Roberts: He says he may withdraw his complaint after he hears our evidence.

Mr. Towner: That is possible. That is, I would withdraw it if I had any complaint on file.

Mr. Larimore: I would like to make a request in an effort to reach a common ground.

Mr. Burg: It is understood, I take it, that that talk about arbitration does not include the M. K. & T. lines, does it?

Mr. Roberts: I spoke for the Frisco only (Tr. 4618-4619).

Attorney Larimore here requested that the western trunk lines furnish for each carrier for the months of June and October, 1924, the total of all freight traffic handled by such lines in tons, ton miles and revenue per ton per mile. After discussion of this request, Attorney Towner said: You want [fol. 426] it just for the roads I represent, of course, I take it. I cannot undertake to furnish anything for anybody I do not represent.

The following is quoted verbatim from the Transcript of testimony:

Mr. Roberts: I thought you represented the western trunk lines.

Mr. Towner: Well, I entered an appearance for seven or eight specific railroads.

Mr. Larimore: Well, now, those that you do not represent, being participants in the net results, somebody representing those lines should furnish this information.

Mr. Towner: That may be so, but I cannot speak for them. The C. & E. I. have been here by their counsel and

the Burlington has entered an appearance and the Soo Line.

Mr. Larimore: The Rock Island has not.

Mr. Towner: Yes, the Rock Island has entered an appearance. I take it the Santa Fe would furnish those figures that you want without any difficulty or any objection. The Missouri Pacific probably will.

Mr. Larimore: As far as you are concerned, I will confine that request to the lines you represent (Tr. 4619-4620).

Attorney Towner thereupon agreed to procure this information for the roads which he represented. Attorney Muckley thereupon requested that a statement showing the increase in revenues that the western trunk lines would receive from the settlement of the transcontinental and trans-Missouri and Oklahoma divisions be furnished by the western trunk lines. After discussion Attorney Towner agreed to procure this information if possible (Tr. 4621-4622-4623).

[fol. 427] The following is copies verbatim from the Transcript of testimony:

Mr. Towner: Now, are the other southwestern lines of the same view as Mr. Roberts with respect to this arbitration.

Exam. Disque: Which ones are you speaking to now?

Mr. Towner: All of them.

Exam. Disque: They do not seem to have any common representative.

Mr. Muckley: I think so far as the Southern Pacific Line is concerned, before we can answer a proposition to arbitrate, we should have your position.

Mr. Towner: Could you tell me any better than Mr. Roberts did just what connection there is between the two things?

Mr. Muckley: No, I could not do it any better. I think his answer is complete.

Mr. Towner: I see. All right.

Mr. Roberts: I do not know how to settle a lawsuit until I find out what the plaintiff wants (Tr. 4623).

There followed a discussion as to this matter and Attorney Towner said that the practice in the personal injury suit was to ask for everything in sight.

The following is copied verbatim from the Transcript of testimony:

Exam. Disque: All right. Tell them you want a mileage pro rata and don't expect all of it.

Mr. Towner: I would not undertake to say that.

Mr. Outlaw: Mr. Towner asked for a direct answer by the other southwestern lines. Speaking only for the Santa Fe Lines, I will not definitely advise him that it is our opinion that arbitration is impracticable.

Mr. Davis: I will join in that statement for the Kansas [fol. 428] City Southern.

Mr. Towner: That settles it. It is immaterial now what the rest of them think.

Exam. Disque: What they think about it right now does not make it a fact later on.

Mr. Towner: No, I disagree with the conclusion of fact, but I say there is no use to arbitrate with only two of them.

Mr. Davis: It does not mean necessarily that after you made your proposition we might not change our point of view.

Exam. Disque: It may be at the end of the next hearing Mr. Towner can come forward and tell us that he wants such and such a basis of divisions. It may be that will sound half way reasonable to you and you will talk to him about it.

Mr. Muckley: We have some demands to make also, Mr. Examiner.

Exam. Disque: He will listen to your demands too.

Mr. Muckley: I did not want this case to assume the aspect of western trunk line demands (Tr. 4624-4625).

After a discussion as to the time of the next hearing and the procedure, the following occurred, which is quoted verbatim from the Transcript of testimony:

Mr. Muckley: May I ask in a case like this, where there is no complainant, will the western trunk lines have the right of rebuttal?

Exam. Disque: Yes.

Mr. Towner: There is one definite answer.

Exam. Disque: Do you agree with that, do you want the right of rebuttal?

Mr. Towner: Absolutely.

Mr. Muckley: I assume then we will have the right to sur-
[fol. 429] rebuttal.

Mr. Towner: I dont' assume that.

Exam. Disque: The western trunk lines will be treated as complainants as far as I am concerned.

Mr. Muckley: That settles it. then. All right (Tr. 4625-4626).

The hearing was thereupon closed with an announcement of further hearing at a later date.

[fol. 430] Proceedings at Galveston, Texas, February 3, 1926

Met pursuant to notice.

Exam. Disque: Come to order, please. This is a further hearing in Docket 15234, the Western Division case.

B. F. Parsons was thereupon recalled as a witness and testified as follows:

Direct examination:

I have checked the traffic shown in Mr. Balch's exhibit which was shown to have moved through Omaha, the check being made with respect to the divisions of the ton miles East and West and North and South of Omaha. The check developed that where the exhibits show revenue and ton miles via Council Bluffs, Omaha or south Omaha, that there was included in the Northern and Eastern portion only the revenue and the revenue and the ton miles North and East of Council Bluffs, Omaha and South Omaha and that was included in the revenue and ton miles, the total revenue and ton miles South of those gateways (Tr. 4631-2).

The revenue between Kansas City and Omaha or South Omaha or Council Bluffs was added to the Southwestern Lines revenue because the primary division in such cases is at Council Bluffs, Omaha or South Omaha. In all cases where the primary division of the revenue was made at Kansas City, the revenue and ton miles north of Kansas City included all of the service and all of the revenue north of Kansas City, though the shipments made subsequently have moved through Omaha or Council Bluffs.

The principal interchange at South Omaha, which was most of the traffic reported through that gateway, was between the Northwestern and the Missouri Pacific and of course we had no subdivision of the revenue south of Omaha (Tr. 4631-4632).

[fol. 431] I have prepared information concerning all the traffic and ton miles on the Western Trunk Lines during June and October, 1924.

I have selected the number of tons carried, tons carried one mile, and the revenue per ton mile in mills, also the freight revenue of the Western Trunk Lines for the months of June and October, 1924, and will read those figures into the record. First are the figures for June, 1924, and in the order stated are respectively, tons carried, tons carried one mile, freight revenue (Account 101) and the revenue per ton mile in mills. C. & A. Railroad 967,910, 162,443,986, 1,627,656.60, 10.02. C. & E. I. Railway 806,607, 135,021,816, 1,224,554.20, 9.07. C. & N. W. Railway 4,586,651, 585,174,000, 8,019,199.00, 13.70. C. B. & Q. Railroad 2,803,522, 798,448,090, 8,140,059.26, 10.19. C. G. W. Railroad 513,993, 143,901,850, 1,472,161.16, 10.23. C. M. & St. P. 3,633,461, 742,677,000, 8,789,175.00, 11.83. C. St. P. M. & O. 725,557, 110,519,615, 1,431,873.86, 12.96. Ill. Cent. Railroad 3,454,805, 929,134,114, 8,577,151.93, 9.23. M. & St. L. Railroad 468,968, 74,632,045, 894,124.36, 11.98. M. St. P. & S. S. M. Railway 1,424,956, 243,304,000, 2,724,463.00, 11.20. Wabash Railway 1,485,503, 315,418,000, 3,853,051.00, 10.26 (Tr. 4633).

Now come the figures for October, 1924, which in the order stated, are respectively, tons carried, tons carried one mile, freight revenue (Account 101) and the revenue per ton mile in mills. C. & A. Railroad 1,290,349, 217,292,482, 2,187,218.01, 10.07. C. & E. I. Railway 1,369,276, 217,543,[fol. 432] 329, 1,898,625.89, 8.73. C. & N. W. Railway 5,880,504, 957,260,000, 11,327,060.00, 11.83. C. B. & Q. Railroad 4,972,647, 1,336,859,299, 12,988,067.16, 9.72. C. G. W. Railroad 701,655, 198,858,077, 1,921,090.07, 9.66. C. M. & St. P. 5,083,075, 1,238,031,000, 13,340,024.00, 10.78. C. St. P. M. & O. 1,217,081, 188,866,085, 2,281,977.31, 12.08. Ill. Cent. Railroad 5,002,121, 1,243,258,458, 11,068,212.56, 8.90. M. & St. L. Railroad 779,890, 145,083,631, 1,445,635.42, 9.96. M. St. P. & S. S. M. Railway 1,736,176, 421,479,000, 4,650,061.00, 11.03. Wabash Railway 1,958,896, 491,155,000, 5,062,554.00, 10.31 (Tr. 4634).

I have assembled some figures with respect to the increase in the revenues of the Western Trunk Lines resulting from the settlement of the trans-Missouri and the transcontinental divisions. In preparing their traffic statistics covering trans-Missouri territory, which is roughly traffic to and from points in the States of Colorado, Kansas, Nebraska, Oklahoma, Utah and Wyoming, the Western Trunk Lines have only data as to business actually handled in the month of June, 1924. Taking that traffic as a basis and dealing first with the State of Oklahoma, we find that on the traffic subject to the percentage division whether moving to or from points on the Santa Fe, Rock Island and Missouri Pacific or other Oklahoma Lines, that the total revenue of the Western Trunk Lines through the Missouri River gateways in the month of June, 1924, was $13,798.85, and that applying the increased division on that part of the traffic moving via the route over which the divisions were increased, the revenue would have amounted to $15,730.69, or an increase of $1,931.84. Extending that on an annual basis by applying to the actual increase thus computed the ratio that the freight revenue in June was of the total year, we estimate that the annual increase on Oklahoma amounts to $35,553.44. That is just an estimate based on what I [fol. 433] ascertain to be the fact in June, 1924 (Tr. 4635).

We have those figures for these roads: Chicago & Alton, C. & N. W., C. G. W., Illinois Central, M. & St. L., and the Wabash. In the same way, making the calculation as to the balance of the Trans-Missouri traffic moving to and from points in Colorado, Kansas, Nebraska, Utah and Wyoming, the increase in the month of June is bound to amount to $31,037.21 and extending that on an annual basis the total increase is estimated at $410,545.11. Taking the total trans-Missouri traffic, the actual increase on basis of June, 1924, traffic is $32,969.05 and the estimated annual increase $436,098.55. The last figure I read included the Oklahoma along with the other trans-Missouri. Going along now to the transcontinental traffic;—that information was for the six roads I have named. Going now to the transcontinental traffic: We have actual statistics covering six months business moving in January, February, March, July, August and September, 1924, excluding though lumber traffic originating in the North Pacific Coast territory. These figures cover traffic handled in those months by the Chicago &

Alton, C. & N. W., C. St. P. M. & O., C. G. W., Illinois Central and M. & St. L. Railroads. We find that the increased percentages effective July 1st, 1925, if applied to the business moving in these six months of 1924 on the same traffic, would have increased the freight revenue of the Western Trunk Lines named $555,679.36. That is for the six month period (Tr. 4635-4636).

The percentages established effective July 1, 1925, duplicated the division formerly used on North Pacific Coast [fol. 434] lumber and uniformly reduced the *reduced the* revenue of the Western Trunk Lines on that traffic. Based on the exhibits that were introduced by the Great Northern, Northern Pacific and the Chicago Great Western covering a good many thousand carloads of this traffic, we were able to estimate the approximate reduction of the lumber traffic and we found that on the basis of actual carrying determined by counting the number of cars handled in those six months, that the change in division reduced the freight revenue of these Western Trunk Lines on the lumber $170,057.49, so that on the six months business the net increase in the revenue of these Western Trunk Lines on transcontinental traffic was $385,621.87. Extending this on an annual basis on the same ratio, that the total freight revenue in these six months was to the freight revenue for the year, we estimated an annual increase of $761,825.57 (Tr. 4636-4637).

Applying these increases to the total freight revenue of these roads for the year 1924, the increase on trans-Missouri traffic was equal to an increase of .135 per cent or about one seventh of one per cent. The increase on the trans-continental traffic was equal to .261 per cent or a trifle more than one quarter of one per cent in the total freight revenue of these Western Trunk Lines for the year (Tr. 4637).

At the previous hearing I introduced Exhibit A-55 containing certain operating and traffic statistics of the Western Trunk Lines and Southwestern Lines for the eight months ended August 31, 1925. Since that hearing I have brought these exhibits down as near to date as the information available would permit. Exhibit A-78, consisting of two pages covers the eleven months ended November 30, 1925, and shows the general operating results, operating ratio, railway operating income, and on the second page the

[fol. 435] averages by groups, including the rate of returns earned in the eleven months. This is not extended on an annual basis, but merely represents the percentage that the railway operating income of these eleven months was of the property investment account, including material and supplies as of December 31, 1924 (Tr. 4638).

The source of my information is the reports of the carriers to the Interstate Commerce Commission. The exhibit is self explanatory except as to the investment in Road & Equipment and Material & Supplies. I used in most instances the data shown in Mr. Balch's Exhibit A-50 except that I found in one or two instances the figures employed by Mr. Balch were a little different than those used by Mr. Wetling in Ex Parte 87 and set out in his Exhibit 1 and in those cases I used Mr. Wetling's figures. That was particularly so in the case of the C. B. & Q., M. & St. L., Soo Lines, K. C. M. & O. and the Missouri Pacific (Tr. 4638-4639).

Exhibit A-79 is a statement of freight revenue, ton miles and revenue per ton mile for the ten months ended October 31, 1925. The ton miles are not reported to the Commission quite as soon as the general operating results and I was only able to bring this statement up to the close of October. As these figures are taken from the U. S. reports which are made by system instead of by individual roads, they are grouped a little differently particularly on the second page, where I have shown the Texas and Louisiana lines as one group instead of two separate groups (4639).

I have another exhibit, A-80. At the previous hearing I introduced Exhibit A-39, which showed by States or Divisions of States the traffic density in the two territories. The manner of dividing the territory as shown in that exhibit was not exactly as set out in the Commission's notice of September 8, 1925 in that the Commission's notice included the entire State of Minnesota and the States of North and South Dakota in Western Trunk Line territory. I have revised the exhibit and it has been distributed and given No. A-80. It consists of six pages and shows the same general character of information in Exhibit A-39. I think it only necessary to explain the figures with reference to the State of Missouri. The Commission's notice of September 8, 1925, described as Western Trunk Line territory that part

[fol. 436] of the State of Missouri on and North of the main line of the Missouri Pacific Railway from St. Louis to Kansas City. The Missouri Pacific has considerable mileage in Missouri South of that line and the Rock Island has mileage both North and South. In order to give the picture as completely as possible, I have shown two entries for Missouri; first, Missouri on and North of the Missouri Pacific, and below that the State of Missouri North of that line, but excluding the Rock Island and the Missouri Pacific, and the same way in the Southwestern territory, I have shown the figures for that part of Missouri South of the Missouri Pacific and also figures for Missouri including the Rock Island and the Missouri Pacific with the lines South of the Missouri Pacific main line. The grouping of the roads in each state are set out in full on page 6. In this exhibit I have used entirely the figures compiled by Mr. L. E. Wetling, Manager of the Western Lines Statistical Bureau, which are made up from statements rendered to him by the Accounting Departments of the several railroads excepting that in the State of Minnesota I eliminated the Duluth and Iron Range and the Duluth-Missabe & Northern Railways. Those are two ore carrying roads and substantially all of whose freight traffic consists of iron ore from the ranges to Duluth. The tons carried by the two roads in 1924 consisted of 89.26 per cent of the iron ore, which fluctuates somewhat from year to year and does not really reflect the general traffic conditions of the State of Missouri. Those roads have very heavy traffic density, particularly when the ore movement is good, but they have little or no joint traffic (Tr. 4639-4641).

[fol. 437] The three exhibits described by the witness and referred to by exhibit numbers were thereupon offered in evidence (Tr. 4641).

Exhibits A-78, A-79 and A-80 were received in evidence, which said exhibits, omitting title page, are in words and figures as follows:

(Here follow Exhibits Nos. A-78, A-79, and A-80, side folios 438, 439, 440, 441, 442, 443, 444, 445 and 446.)

[fol. 438]

EXHIBIT No. "A-78"

Witness: Parsons

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I. C. C. Docket 15234

Railway Operating revenues and Expenses

Eleven Months Ended November 30, 1925

Railroad	Average miles operated	Investment in road and equipment including material and supplies	Railway operating revenue	Railway operating expenses	Net Revenue from railway operations	Operating ratio	Ra... a...
Chicago & Alton	1 055.92	$155 856 284	$28 365 080	$21 403 432	$6 961 648	75.5%	$1
C. & E. I	945.13	88 842 434	23 936 164	19 992 038	3 944 126	83.5	1
C. & N. W	8 461.56	507 523 474	136 313 927	106 078 679	30 235 248	77.8	8
C. B. & Q	9 398.10	585 229 810	145 423 999	106 576 855	38 847 144	73.3	9
C. G. W	1 496.06	172 121 988	22 434 171	18 245 786	4 188 385	81.3	
C. M. & St. P	11 204.93	734 238 571	148 235 432	120 113 118	28 122 314	81.0	8
C. St. P. M. & O	1 749.19	90 350 290	24 649 171	19 679 039	4 970 132	79.8	1
Illinois Central	4 874.99	509 648 414	139 831 776	107 446 710	32 385 066	76.8	9
M. & St. L	1 635.41	67 199 920	13 759 341	12 158 518	1 600 823	88.4	
M. St. P. & S. S. M	4 401.64	214 831 602	45 834 739	33 247 765	12 586 974	72.5	2
Q. O. & K. C	250.84	6 461 201	926 423	999 343	Def 72 920	107.9	
Wabash	2 524.20	246 750 455	63 619 586	47 118 292	16 501 294	74.1	2
A. T. & S. F	9 185.51	851 472 516	179 965 894	123 548 736	56 417 158	68.7	14
B. S. L. & W	118.75	3 469 826	2 583 320	1 708 858	874 462	66.1	
C. R. I. & G	459.91	19 895 471	5 676 322	4 134 735	1 541 587	72.8	
C. R. I. & P	7 569.63	403 736 660	113 732 781	88 524 259	25 208 522	77.8	6
Ft. W. & D. C	474.87	31 604 890	10 287 355	6 490 226	3 797 129	63.1	
G. H. & S. A	2 101.34	114 639 088	26 904 886	21 769 738	5 135 148	80.9	
G. C. & S. F	1 908.84	66 742 603	26 459 084	19 760 561	6 698 523	74.7	
H. & S	a						
H. & T. C	929.14	44 408 108	13 434 755	10 346 722	3 088 033	77.0	
H. E. & W. T	191.60	7 801 789	3 119 115	2 269 814	849 301	72.8	
I. G. N	1 159.50	47 533 245	15 497 324	12 285 937	3 211 387	79.3	
K. C. M. & G	272.20	22 642 732	2 283 704	2 038 387	245 317	89.3	
K. C. M. & O. of Tex	465.75	6 980 146	2 948 939	2 359 630	589 309	80.0	
K. C. S	777.04	105 221 379	16 686 754	11 839 983	4 846 771	71.0	1
K. O. & G	314.42	c 19 022 235	2 266 955	2 059 861	207 094	90.0	

EXHIBIT No. "A-78"

Witness: Parsons

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Railway Operating revenues and Expenses

Eleven Months Ended November 30, 1925

Railway operating revenue	Railway operating expenses	Net Revenue from railway operations	Operating ratio	Railway tax accruals	Uncollectible railway revenue	Equipment rents net debit	Joint facility rents net debit	Railway operating income
$28 365 080	$21 403 432	$6 961 648	75.5%	$1 161 131	$7 845	$901 396	$740 736	$4 150 540
23 936 164	19 992 038	3 944 126	83.5	1 260 000	10 329	573 603	327 783	1 772 411
136 313 927	106 078 679	30 235 248	77.8	8 800 000	40 685	1 410 403	229 553	19 754 607
145 423 999	106 576 855	38 847 144	73.3	9 969 742	29 674	1 224 327	1 839 462	25 793 939
22 434 171	18 245 786	4 188 385	81.3	892 215	3 666	644 228	811 481	1 836 795
148 235 432	120 113 118	28 122 314	81.0	8 150 000	61 882	3 227 358	2 090 706	14 592 368
24 649 171	19 679 039	4 970 132	79.8	1 433 304	17 962	225 792	390 324	2 902 750
139 831 776	107 446 710	32 385 066	76.8	9 987 806	32 259	Cr 635 620	163 143	22 837 478
13 759 341	12 158 518	1 600 823	88.4	700 981	2 509	585 038	89 057	223 238
45 834 739	33 247 765	12 586 974	72.5	2 936 933	6 007	629 772	643 459	8 370 803
926 423	999 343	Def 72 920	107.9	50 979	18	10 261	23 707	Def. 157 885
63 619 586	47 118 292	16 501 294	74.1	2 857 785	6 743	1 736 469	1 167 015	10 733 282
179 965 894	123 548 736	56 417 158	68.7	14 617 042	36 300	Cr 451 427	541 776	41 673 467
2 583 320	1 708 858	874 462	66.1	85 379	5 487	432 224	127 354	224 018
5 676 322	4 134 735	1 541 587	72.8	267 149	1 588	183 869	40 273	1 048 708
113 732 781	88 524 259	25 208 522	77.8	6 032 902	68 070	3 096 023	1 279 984	14 731 543
10 287 355	6 490 226	3 797 129	63.1	598 667	3 336	79 685	44 654	3 070 787
26 904 886	21 769 738	5 135 148	80.9	988 881	24 409	850 588 Cr	57 818	3 329 088
26 459 084	19 760 561	6 698 523	74.7	975 734	10 224	1 171 678	85 315	4 455 572
13 434 755	10 346 722	3 088 033	77.0	718 722	6 702	713 689 Cr	181 155	1 830 075
3 119 115	2 269 814	849 301	72.8	134 805	1 975	188 432	9 669	514 420
15 497 324	12 285 937	3 211 387	79.3	399 975	1 899	660 846	64 634	2 084 033
2 283 704	2 038 387	245 317	89.3	71 988	948	156 741	13 154	2 486
2 948 939	2 359 630	589 309	80.0	76 619	798	240 075 Cr.	31	271 848
16 686 754	11 839 983	4 846 771	71.0	1 061 125	8 096	206 316	143 486	3 427 748
2 266 955	2 059 861	207 094	90.0	92 617	112	128 994 Cr.	289	Def 14 340

K. C. S.	777 [illegible]	105 221 379	16 686 754	11 839 983	4 846 771	71.0	1 061
K. O. & G.	314.42	c 19 022 235	2 266 955	2 059 861	207 094	90.0	92
K. O. & G. of Tex.	a						
L. R. & N. Co.	337.63	23 360 802	3 503 085	2 918 834	584 251	83.3	220
L. R. & N. Co. of Tex.	206.08	3 252 667	1 218 231	1 011 796	206 435	83.0	43
La. Western	207.74	d 10 129 878	3 882 013	2 923 410	958 603	75.3	286
M. K. T.	1 799.31	206 815 112	32 282 136	20 755 353	11 526 783	64.3	1 979
M. K. T. of Tex.	1 389.23	73 475 120	19 997 517	15 298 249	4 669 268	76.6	650
Mo. Pac.	7 337.61	430 081 722	119 562 929	93 448 687	26 114 242	78.2	4 772
M. L. & T.	400.67	d 33 481 927	7 641 501	6 903 949	737 552	90.3	553
N. O. T. & M.	191.22	19 317 404	3 180 361	2 312 057	868 304	72.7	202
P. H. & S. F.	858.49	29 833 585	10 134 149	6 636 028	3 498 121	65.5	480
St. L. B. & M.	550.22	17 455 103	7 599 691	4 716 621	2 883 070	62.1	353
St. L. S. F.	4 909.83	409 052 437	82 184 588	56 921 762	25 262 826	69.3	4 517
St. L. S. F. & Tex.	137.95	3 528 591	1 991 248	1 441 702	549 546	72.4	25
St. L. S. W.	943.24	83 016 825	16 558 433	11 353 847	5 204 586	68.6	709
St. L. S. W. of Tex.	807.20	39 657 785	7 131 873	6 920 088	211 785	97.0	302
S. A. & A. P.	b						
T. & Ft. S.	81.08	5 232 523	2 692 866	1 520 419	1 172 447	56.5	174
Texas & N. O.	541.20	d 29 730 954	10 140 265	7 976 622	2 163 643	78.7	350
Texas & Pacific	1 952.91	140 757 184	31 661 137	23 870 050	7 791 987	75.4	1 682
V. S. & P.	188.46	11 458 714	4 135 276	3 148 269	987 007	76.1	296

a—Data not available.
b—Data shown for G. H. & S. A. includes S. A. & A. P.
c—Includes K. O. & G. of Texas.
d—For year ended December 31, 1923.
*—+As of December 31, 1924.

16 686 754	11 859 983	4 846 771	71.0	1 061 125	8 096		206 316		145 486	3 427 748
2 266 955	2 059 861	207 094	90.0	92 617	112		128 994	Cr.	289	Def 14 340
3 503 085	2 918 834	584 251	83.3	220 000	1 935		358 611	Cr.	9 106	12 811
1 218 231	1 011 796	206 435	83.0	43 774	325		140 611		48 029	Def 26 304
3 882 013	2 923 410	958 603	75.3	286 295	957		85 950		16 311	569 090
32 282 136	20 755 353	11 526 783	64.3	1 979 585	11 618	Cr	409 994		369 187	9 576 387
19 997 517	15 298 249	4 669 268	76.6	650 996	11 140		1 796 938		251 163	1 989 031
119 562 929	93 448 687	26 114 242	78.2	4 772 695	33 286		3 644 780	1	203 871	16 459 610
7 641 501	6 903 949	737 552	90.3	553 967	5 706		273 054		73 042	Def 168 217
3 180 361	2 312 057	868 304	72.7	202 942	7 756	Cr	668 929		1 886	1 324 649
10 134 149	6 636 028	3 498 121	65.5	480 155	3 429		566 022		33 566	2 414 949
7 599 691	4 716 621	2 883 070	62.1	353 533	4 199		289 055		117 025	2 119 258
82 184 588	56 921 762	25 262 826	69.3	4 517 885	24 997		694 733		79 340	19 945 871
1 991 248	1 441 702	549 546	72.4	25 786	1 518		131 261		140 302	250 679
16 558 433	11 353 847	5 204 586	68.6	709 203	1 631		20 657		776 541	3 696 554
7 131 873	6 920 088	211 785	97.0	302 000	3 246	Cr	152 294	Cr	371 623	430 456
2 692 866	1 520 419	1 172 447	56.5	174 189	668		326 787	Cr	31 524	702 327
10 140 265	7 976 622	2 163 643	78.7	350 146	4 163		345 039		31 737	1 432 558
31 661 137	23 870 050	7 791 987	75.4	1 682 500	30 583		723 833		101 198	5 252 973
4 135 276	3 148 269	987 007	76.1	290 817	989		139 344		3 964	551 893

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Railway Operating Revenues and Expenses

Eleven Months Ended November 30, 1925

	Western Trunk Lines	Texas Lines	Louisiana Lines	Other Southwestern Lines	All Southwestern Lines
Average Miles of Road Operated	47 998	14 334	1 326	33 109	48 769
Railway Operating Revenues	$793 329 809	$199 478 077	$22 342 236	$565 524 174	$787 344 487
Railway Operating Expenses	613 059 575	150 517 796	18 206 519	410 490 875	579 215 190
Net Railway Operating Revenue	180 270 234	48 960 281	4 135 717	155 033 299	208 129 297
Operating Ratio	77.28%	75.46%	81.49%	72.59%	73.57%
Railway Tax Accruals	$48 200 876	$8 309 010	$1 554 021	$33 855 042	$43 718 073
Uncollectible Railway Revenue	219 579	115 689	17 343	185 058	318 090
Equipment Rents, Net Debit	10 533 027	8 698 338	188 030	7 086 823	15 963 191
Joint Facility Rents, Net Debit	8 506 426	452 768	86 097	4 407 050	4 945 915
Net Railway Operating Income	112 810 326	31 394 476	2 290 226	109 499 326	143 184 028
#Total Expense Ratio	83.38%	79.68%	88.52%	78.61%	79.16%
Property Investment, including Material and Supplies, as of December 31, 1924	$3 379 054 443	$689 998 678	$97 748 725	$2 531 061 618	$3 318 809 021
Rate of Return (Eleven Months)	3.34%	4.55%	2.34%	4.33%	4.31%
Average per Mile of Road:					
Railway Operating Revenues	$16 528	$13 916	$16 849	$17 081	$16 144
Railway Operating Expenses	12 772	10 500	13 730	12 398	11 876
Net Railway Operating Revenues	3 756	3 416	3 119	4 683	4 268
Railway Tax Accruals	1 004	580	1 172	1 023	897
Uncollectible Railway Revenue	5	8	13	6	7
Equipment Rents—Net Debit	220	606	142	214	327
Joint Facility Rents—Net Debit	177	32	65	133	101
Net Railway Operating Income	2 350	2 190	1 727	3 307	2 936
Property Investment, including Material and Supplies, as of December 31, 1924	70 400	48 137	73 717	76 446	68 056

#—Ratio of the sum of Railway Operating Expenses, Railway Tax Accruals and Uncollectible Railway Revenue to Railway Operating Revenue.

NOTE—The grouping of roads used in this exhibit is the same as shown on page 5 of Exhibit A-54.

[fol. 440]

EXHIBIT No. A-79

Witness: Parsons

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I. C. C. Docket 15234

Freight Traffic Statistics

Ten Months Ended October 31, 1925

Railroad		Average miles of road operated	Freight revenues (Account 101)	Ton miles revenue freight	Revenue per ton mile, mills
Chicago & Alton		1 021.94	$18 021 875	1 760 048 000	10.24
C. & E. I.		945.13	16 117 851	1 879 980 000	8.57
C. & N. W.		8 461.56	88 036 841	6 895 392 000	12.77
C. B. & Q.		9 331.59	97 851 504	10 042 437 000	9.74
C. G. W.		1 459.87	15 607 409	1 617 904 000	9.65
C. M. & St. P.		11 201.45	104 429 644	9 895 225 000	10.55
C. St. P. M. & O.		1 726.23	16 335 097	1 320 693 000	12.37
Illinois Central		4 874.99	96 307 206	10 822 127 000	8.90
M. & St. L.		1 633.99	10 807 124	1 013 080 000	10.67
M. St. P. & S. S. M.		4 373.10	32 508 434	2 876 710 000	11.30
Q. O. & K. C.		250.84	614.399	39 648 000	15.50
Wabash		2 496.97	45 671 521	4 308 553 000	10.60
A. T. & S. F.	b	10 043.85	122 425 359	9 437 469 000	12.97
B. S. L. & W.	c				
C. R. I. & G.	d				
C. R. I. & P.	d	8 030.35	79 791 194	6 583 029 000	12.12
Ft. W. & D. C.		471.52	6 647 259	446 490 000	14.89
G. H. & S. A.	e				
Gulf Coast Lines	c	921.74	10 088 739	741 026 000	13.61
G. C. & S. F.		1 897.07	19 646 871	1 980 433 000	9.92
H. & S.	e				
H. & T. C.	e				
H. E. & W. T.	e				
I. G. N.		1 159.50	10 869 022	633 616 000	17.15
K. C. M. & O.		272.20	1 948 163	150 606 000	12.94
K. C. M. & O. of Tex.		465.75	2 449 885	145 845 000	16.80
K. C. S.	f	848.78	14 504 298	1 311 254 000	11.06
K. O. & G.		314.42	1 869 706	154 896 000	12.07
K. O. & G. of Tex.	a				
L. R. & N. Co.		334.46	2 787 458	182 164 000	15.30
L. R. & N. Co. of Tex.		204.77	949 764	65 837 000	14.42
La. Western	e				
M. K. T.		1 787.16	22 981 591	1 732 238 000	13.27
M. K. & T. of Tex.		1 389.23	12 806 084	1 024 102 000	12.50
Mo. Pac.		7 277.83	86 328 817	7 907 468 000	10.92
M. L. & T.	e				

Illinois Central		4 874.99	96 307 206	10 822 127 000	8.90
M. & St. L.		1 633.99	10 807 124	1 013 080 000	10.67
M. St. P. & S. S. M.		4 373.10	32 508 434	2 876 710 000	11.30
Q. O. & K. C.		250.84	614.399	39 648 000	15.50
Wabash		2 496.97	45 671 521	4 308 553 000	10.60
A. T. & S. F.	b	10 043.85	122 425 359	9 437 469 000	12.97
B. S. L. & W.	c				
C. R. I. & G.	d				
C. R. I. & P.	d	8 030.35	79 791 194	6 583 029 000	12.12
Ft. W. & D. C.		471.52	6 647 259	446 490 000	14.89
G. H. & S. A.	e				
Gulf Coast Lines	c	921.74	10 088 739	741 026 000	13.61
G. C. & S. F.		1 897.07	19 646 871	1 980 433 000	9.92
H. & S.	e				
H. & T. C.	e				
H. E. & W. T.	e				
I. G. N.		1 159.50	10 869 022	633 616 000	17.15
K. C. M. & O.		272.20	1 948 163	150 606 000	12.94
K. C. M. & O. of Tex.		465.75	2 449 885	145 845 000	16.80
K. C. S.	f	848.78	14 504 298	1 311 254 000	11.06
K. O. & G.		314.42	1 869 706	154 896 000	12.07
K. O. & G. of Tex.	a				
L. R. & N. Co.		334.46	2 787 458	182 164 000	15.30
L. R. & N. Co. of Tex.		204.77	949 764	65 837 000	14.42
La. Western	e				
M. K. T.		1 787.16	22 981 591	1 732 238 000	13.27
M. K. & T. of Tex.		1 389.23	12 806 084	1 024 102 000	12.50
Mo. Pac.		7 277.83	86 328 817	7 907 468 000	10.92
M. L. & T.	e				
N. O. T. & M.	c				
P. H. & S. F.	b				
St. L. B. & M.	c				
St. L. S. F.		4 808.16	55 196 580	4 113 821 000	13.42
St. L. S. F. & Tex.		137.95	1 601 269	71 765 000	22.31
St. L. S. W.		929.70	12 773 081	930 502 000	13.73
St. L. S. W. of Tex.		807.20	5 223 773	208 736 000	18.48
S. A. & A. P.	e				
Southern Pacific Lines	e	4 143.99	45 350 674	3 403 178 000	13.33
T. & Ft. S.	f				
Texas & N. O.	e				
Texas & Pacific		1 952.78	20 798 852	1 428 891 000	14.56
V. S. & P.		188.46	2 862 307	198 835 000	14.40

a—Data not available.
b—Data shown for A. T. & S. F. includes Panhandle & Santa Fe.
c—Data shown for Gulf Coast Lines includes B. S. L. & W.—N. O. T. & M.—O. & N. W.—St. L. B. & M.
d—Data shown for C. R. I. & P. includes C. R. I. & G.
e—Data shown for Southern Pacific Lines in Texas and Louisiana includes F. & A.—G. H. & S. & A.—H. & S.—H. & T. C.—H. E. & W. T.—I. & V.—L. C. & N.—Louisiana Western—M. L. & T.—S. A. A. P. and T. & N. O.
f—Data shown for K. C. S. includes Texarkana & Fort Smith.

[fol. 441]

Page 2
1925

Freight Traffic Statistics

I. C. C. Docket 15234

Ten Months Ended October 31, 1925

	Western Trunk Lines	Texas and Louisiana Lines	Other Southwestern Lines	All Southwestern Lines
Average Miles of Road Operated	47 778	14 074	34 313	48 387
Freight Revenue	$542 308 905	$142 082 457	$397 818 789	$539 901 246
Ton Miles Revenue Freight	52 471 797 000	10 605 008 000	32 321 283 000	42 926 291 000
Revenue Per Ton Mile—Mills	10.34	13.40	12.31	12.58
Averages Per Mile of Road:				
Freight Revenue	$11 351	$10 095	$11 594	$11 158
Ton Miles Revenue Freight	1 098 241	753 517	941 954	887 145

NOTE.—The grouping of railroads used in this exhibit is the same as shown on page 5 of Exhibit A-54, except—
"Texas and Louisiana Lines" and "All Southwestern Lines" include F. & A.—I. & V.—L. C. & N.—O. & N. W.
"Other Southwestern Lines" include C. R. I. & G.—Panhandle & Santa Fe and Texarkana & Fort Smith.

[fol. 442]

EXHIBIT No. A-80

Witness: Parsons

Page 2

1924

I. C. C. Docket 15234

Average Miles of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles Per Mile of Road, Revenue Per Ton Mile and Freight Per Mile of Road for Class I Railroads in Western Trunk Line Territory and Southwestern Territory

Year Ended December 31, 1924

	Average Miles of Road Operated	Tons Carried One Mile	Freight Revenue	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Revenue Per Mile of Road
Western Trunk Line Territory:						
Illinois	8 714.58	22 142 730 040	$209 793 074	2 540 883	9.47	$24 074
Iowa	10 088.51	9 813 304 431	105 112 772	972 721	10.71	10 419
Michigan (Upper Peninsula)	1 666.47	1 173 016 727	13 569 359	703 893	11.57	8 143
Minnesota	7 917.80	9 272 264 041	04 058 766	1 171 066	11.22	13 142
Missouri (on and north of Mo. Pac.)	5 107.95	7 374 799 239	81 436 692	1 443 788	11.04	15 943
Missouri (excluding C. R. I. & P. and Mo. Pac.)	2 878.11	4 630 230 290	49 366 021	1 608 775	10.66	17 152
North Dakota	5 143.99	3 340 631 507	35 278 855	649 424	10.56	6 858
South Dakota	4 226.94	1 654 382 636	19 358 479	391 390	11.70	4 580
Wisconsin	7 159.90	7 931 591 171	88 789 323	1 107 780	11.19	12 401
*Total	50 026.14	62 702 719 792	657 397 320	1 253 399	10.48	13 141
Total, excluding C. R. I. & P. and Mo. Pac. in Missouri	47 796.30	59 958 150 843	625 326 649	1 254 452	10.43	13 083
*Total, excluding Illinois	41 311.56	40 559 989 752	447 604 246	981 807	11.04	10 835
Southwestern Territory:						
Arkansas	4 294.06	4 479 790 911	55 391 759	1 043 253	12.36	12 900
Louisiana (west of Mississippi River)	3 681.02	3 360 983 798	41 535 873	913 058	12.36	11 284
Missouri (south of Mo. Pac.)	2 637.25	2 883 214 321	37 788 775	1 093 265	13.11	14 329
Missouri (including C. R. I. & P. and Mo. Pac.)	4 867.09	5 627 783 270	69 859 446	1 156 293	12.41	14 353
Oklahoma	6 233.17	5 466 771 016	71 647 599	877 045	13.11	11 495
Texas	14 538.32	11 806 290 758	165 418 139	812 081	14.01	11 378
*Total	31 383.82	27 997 050 804	371 782 145	892 086	13.28	11 846
Total, including C. R. I. & P. and Mo. Pac. in Missouri	33 613.66	30 741 619 753	403 852 816	914 557	13.14	12 015

C. R. I. & P. and Missouri Pacific operate 2229.84 miles of road in Missouri, of which 580.51 or 26.03% is on or north of the main line of the Missouri Pacific Railroad between Kansas City and St. Louis and 1649.33 or 73.97% south of that line.

*—"Total" and "Total, excluding Illinois" for Western Trunk Line Territory include lines of the C. R. I. & P. and Mo. Pac. in Missouri. "Total"

[fol. 443]

1923

I. C. C. Docket 15234

Average Miles of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles per Mile of Road, Revenue per Ton Mile and Freight Revenue per Miles of Road for Class I Railroads in Western Trunk Line Territory and Southwestern Territory

Year Ended December 31, 1923

	Average Miles of Road Operated	Tons Carried One Mile	Freight Revenue	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Revenue Per Mile of Road
Western Trunk Line Territory:						
Illinois	8 715.51	24 275 927 106	$228 306 198	2 785 371	9.40	$26 195
Iowa	10 083.91	10 267 046 394	112 658 791	1 018 161	10.97	11 172
Michigan (Upper Peninsula)	1 542.09	1 279 195 541	14 318 122	829 521	11.19	9 285
Minnesota	7 914.61	9 482 101 196	104 924 110	1 198 050	11.07	13 257
Missouri (on and north of Mo. Pac.)	5 109.96	7 076 909 192	82 623 933	1 384 925	11.68	16 169
Missouri (excluding C. R. I. & P. and Mo. Pac.)	2 877.59	4 645 957 874	52 342 571	1 614 531	11.27	18 190
North Dakota	5 148.21	3 526 110 501	37 495 852	684 919	10.63	7 283
South Dakota	4 234.22	1 688 026 915	19 550 828	398 663	11.58	4 617
Wisconsin	7 162.56	8 853 214 288	96 783 616	1 236 041	10.93	13 512
*Total	49 911.07	66 448 531 133	696 661 450	1 331 339	10.48	13 958
Total, excluding C. R. I. & P. and Mo. Pac. in Missouri	47 678.70	64 017 579 815	666 380 088	1 342 687	10.41	13 976
*Total, excluding Illinois	41 195.56	42 172 604 027	468 355 252	1 023 717	11.11	11 369
Southwestern Territory:						
Arkansas	4 295.77	4 494 510 599	56 297 715	1 046 264	12.53	13 105
Louisiana (west of Mississippi River)	3 557.79	2 906 436 109	39 223 999	816 922	13.50	11 025
Missouri (south of Mo. Pac.)	2 665.95	2 969 250 342	38 379 939	1 113 768	12.93	14 396
Missouri (including C. R. I. & P. and Mo. Pac.)	4 898.32	5 400 201 660	68 661 301	1 102 460	12.71	14 017
Oklahoma	6 272.93	4 938 174 316	65 657 312	787 220	13.30	10 467
Texas	14 609.94	10 125 271 725	144 979 297	693 040	14.32	9 923
*Total	31 402.38	25 433 643 091	344 538 262	809 927	13.55	10 972
Total, including C. R. I. & P. and Mo. Pac. in Missouri	33 634.75	27 864 594 409	374 819 624	828 447	13.45	11 144

*—"Total" and "Total, excluding Illinois" for Western Trunk Line Territory include lines of the C. R. I. & P. and Mo. Pac. in Missouri. "Total" for Southwestern Territory does not include lines of C. R. I. & P. and Mo. Pac. in Missouri.

[fol. 444]

1922

I. C. C. Docket 15234

Average Miles of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles per Mile of Road, Revenue per Ton Mile and Freight Revenue per Mile of Road for Class I Railroads in Western Trunk Line Territory and Southwestern Territory

Year Ended December 31, 1922

	Average miles of road operated	Tons carried one mile	Freight revenue	Ton miles per mile of road	Revenue per ton mile mills	Freight revenue per mile of road
Western Trunk Line Territory:						
Illinois	8 726.62	21 186 976 361	$204 312 992	2 427 856	9.64	$23 413
Iowa	10 087.97	9 264 552 986	103 763 434	918 376	11.20	10 286
Michigan (Upper Peninsula)	1 547.20	1 014 603 024	11 965 827	655 767	11.79	7 734
Minnesota	7 881.89	8 230 803 002	96 381 229	1 044 268	11.71	12 228
Missouri (on and north of Mo. Pac.)	5 112.02	6 414 754 084	78 268 808	1 254 837	12.20	15 311
Missouri (excluding C. R. I. & P. and Mo. Pac.)	2 879.61	4 355 856 906	50 673 859	1 512 655	11.63	17 597
North Dakota	5 149.08	2 963 246 360	32 877 726	575 490	11.10	6 385
South Dakota	4 234.20	1 486 032 970	17 927 814	350 960	12.06	4 234
Wisconsin	7 127.43	7 457 308 084	87 029 735	1 046 283	11.67	12 211
*Total	49 866.41	58 018 276 871	632 527 565	1 163 494	10.90	12 684
Total, excluding C. R. I. & P. and Mo. Pac. in Missouri	47 634.00	55 959 379 693	604 932 616	1 174 778	10.81	12 700
*Total, excluding Illinois	41 139.79	36 831 300 510	428 214 573	895 272	11.63	10 409
Southwestern Territory:						
Arkansas	3 993.57	3 494 525 623	45 562 880	875 038	13.04	11 409
Louisiana (west of Mississippi River)	3 678.04	2 564 735 075	35 675 541	697 310	13.91	9 700
Missouri (south of Mo. Pac.)	2 625.88	2 442 350 747	35 124 093	930 108	14.38	13 376
Missouri (Including C. R. I. & P. and Mo. Pac.)	4 858.29	4 501 247 925	62 719 042	926 509	13.93	12 910
Oklahoma	6 338.52	4 411 226 387	63 769 447	695 939	14.46	10 061
Texas	14 473.12	9 004 934 199	136 068 162	622 183	15.11	9 401
*Total	31 109.13	21 917 772 031	316 200 123	704 544	14.43	10 164
Total, including C. R. I. & P. and Mo. Pac. in Missouri	33 341.54	23 976 669 209	343 795 072	719 123	14.34	10 311

*—"Total" and "Total, excluding Illinois" for Western Trunk Line Territory include lines of the C. R. I. & P. and Mo. Pac. in Missouri. "Total" for Southwestern Territory does not include lines of C. R. I. & P. and Mo. Pac. in Missouri.

[fol. 445]

I. C. C. Docket 15234

Average Miles of Road Operated, Ton Miles Per Mile of Road, Revenue Per Ton Mile and Freight

1922, 1923, 1924

Western Trunk Line Territory

Class I Railroads named on Page 6 in Illinois, Iowa, Michigan (Upper Peninsula), Minnesota, Missouri (on and north of Mo.

Year Ended	Western Trunk Line Territory Including C. R. I. & P. and Mo. Pac. in Missouri				Western Trunk Line Territory Excluding C. R. I. & P. and Mo. Pac. in Missou			
	Average Miles of Road Operated	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Revenue Per Mile of Road	Average Miles of Road Operated	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Per R
December 31, 1922.....	49 866.41	1 163 494	10.90	$12 684	47 634.00	1 174 778	10.81	$12
1923.....	49 911.07	1 331 339	10.48	13 958	47 678.70	1 342 687	10.41	13
1924.....	50 026.14	1 253 399	10.48	13 141	47 796.30	1 254 452	10.43	13

Southwestern Territory

Class I Railroads named on Page 6 in Arkansas, Louisiana (West of Mississippi River), Missouri (south of

Year Ended	Southwestern Territory				Southwestern Territory Including C. R. I. & P. and Mo. Pac. in Missou			
	Average Miles of Road Operated	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Revenue Per Mile of Road	Average Miles of Road Operated	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Per R
December 31, 1922.....	31 109.13	704 544	14.43	$10 164	33 341.54	719 123	14.34	$10
1923.....	31 402.38	809 927	13.55	10 972	33 634.75	828 447	13.45	11
1924.....	31 383.82	892 086	13.28	11 846	33 613.66	914 557	13.14	12

I. C. C. Docket 15234

perated, Ton Miles Per Mile of Road, Revenue Per Ton Mile and Freight Revenue Per Mile of Road

1922, 1923, 1924

Western Trunk Line Territory

wa, Michigan (Upper Peninsula), Minnesota, Missouri (on and north of Mo. Pac.), North Dakota, South Dakota and Wisconsin

ory c. in Missouri	Western Trunk Line Territory Excluding C. R. I. & P. and Mo. Pac. in Missouri				Western Trunk Line Terri Excluding Illinois			
le Freight Revenue Per Mile of Road	Average Miles of Road Operated	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Revenue Per Mile of Road	Average Miles of Road Operated	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Revenue Per Mile of Road
$12 684	47 634.00	1 174 778	10.81	$12 700	41 139.79	895 272	11.63	$10 409
13 958	47 678.70	1 342 687	10.41	13 976	41 195.56	1 023 717	11.11	11 369
13 141	47 796.30	1 254 452	10.43	13 083	41 311.56	981 807	11.04	10 835

Southwestern Territory

age 6 in Arkansas, Louisiana (West of Mississippi River), Missouri (south of Mo. Pac.), Oklahoma and Texas

	Southwestern Territory Including C. R. I. & P. and Mo. Pac. in Missouri			
le Freight Revenue Per Mile of Road	Average Miles of Road Operated	Ton Miles Per Mile of Road	Revenue Per Ton Mile Mills	Freight Revenue Per Mile of Road
$10 164	33 341.54	719 123	14.34	$10 311
10 972	33 634.75	828 447	13.45	11 144
11 846	33 613.66	914 557	13.14	12 015

[fol. 446]

I. C. C. Docket 15234

List of Class I Railroads Comprising Western Trunk Line and Southwestern Groups

Western Trunk Line Territory

Illinois:

Atchison, Topeka & Santa Fe
Chicago & Alton
Chicago & Northwestern
Chicago, Burlington & Quincy
Chicago Great Western
Chicago, Milwaukee & St. Paul
Chicago, Peoria & St. Louis
Chicago, Rock Island & Pacific
Illinois Central
Minneapolis & St. Louis
Minneapolis, St. Paul & S. S. Marie
Missouri Pacific
Quincy, Omaha & Kansas City
St. Louis Southwestern
Toledo, Peoria & Western
Wabash

Iowa:

Atchison, Topeka & Santa Fe
Chicago & Northwestern
Chicago, Burlington & Quincy
Chicago Great Western
Chicago, Milwaukee & St. Paul
Chicago, Rock Island & Pacific
Chicago, St. Paul, Minneapolis & Omaha
Great Northern
Illinois Central
Minneapolis & St. Louis
Union Pacific System
Wabash

Arkansas:

Chicago, Rock Island & Pacific
Kansas City Southern
Louisiana & Arkansas
Midland Valley
Missouri Pacific
Missouri & North Arkansas

Michigan (Upper Peninsula):

Chicago & Northwestern
Chicago, Milwaukee & St. Paul
Duluth, South Shore & Atlantic
Lake Superior & Ishpeming
Minneapolis, St. Paul & S. S. Marie

Minnesota:

Chicago & Northwestern
Chicago, Burlington & Quincy
Chicago Great Western
Chicago, Milwaukee & St. Paul
Chicago, Rock Island & Pacific
Chicago, St. Paul, Minneapolis & Omaha
Duluth, South Shore & Atlantic
Duluth, Winnipeg and Pacific
Great Northern
Illinois Central
Minneapolis & St. Louis
Minneapolis, St. Paul & S. S. Marie
Northern Pacific

Missouri (On and North of Mo. Pac.):

Atchison, Topeka & Santa Fe
Chicago & Alton
Chicago, Burlington & Quincy
Chicago Great Western
Chicago, Milwaukee & St. Paul
Chicago, Rock Island & Pacific
Missouri Pacific
Quincy, Omaha & Kansas City
Wabash

Southwestern Territory

Missouri (South of Mo. Pac.):

Kansas City Southern
Missouri, Kansas, Texas
Missouri & North Arkansas
St. Louis-San Francisco
St. Louis-Southwestern

North Dakota:

Chicago & Northwestern
Chicago, Milwaukee & St. Paul
Great Northern
Minneapolis, St. Paul & S. S. Marie
Northern Pacific

South Dakota:

Chicago & Northwestern
Chicago, Burlington & Quincy
Chicago, Milwaukee & St. Paul
Chicago, Rock Island & Pacific
Chicago, St. Paul, Minneapolis & Omaha
Great Northern
Illinois Central
Minneapolis & St. Louis
Minneapolis, St. Paul & S. S. Marie

Wisconsin:

Chicago & Northwestern
Chicago, Burlington & Quincy
Chicago, Milwaukee & St. Paul
Chicago, St. Paul, Minneapolis & Omaha
Duluth, South Shore & Atlantic
Great Northern
Green Bay & Western
Illinois Central
Minneapolis, St. Paul & S. S. Marie
Northern Pacific

Texas:

Atchison, Topeka & Santa Fe
Gulf, Colorado & Santa Fe
Panhandle & Santa Fe
Gulf Coast Lines
Chicago, Rock Island & Pacific

Kansas City Southern
Louisiana & Arkansas
Midland Valley
Missouri Pacific
* Missouri & North Arkansas
St. Louis-San Francisco
St. Louis-Southwestern
Texas & Pacific

Louisiana (West of Mississippi River):

Chicago, Rock Island & Pacific Lines
Atchison, Topeka & Santa Fe
Kansas City Southern
Louisiana & Arkansas
Louisiana Ry. & Nav. Co.
* Louisiana Ry. & Nav. Co. of Tex.
Southern Pacific-Louisiana Lines
** Missouri, Kansas, Texas
Missouri Pacific
Gulf Coast Lines
St. Louis-Southwestern
Texas & Pacific
Vicksburg, Shreveport & Pacific

Missouri, Kansas, Texas
* Missouri & North Arkansas
St. Louis-San Francisco
St. Louis-Southwestern

Oklahoma:

Atchison, Topeka & Santa Fe
Chicago, Rock Island & Pacific
Ft. Smith & Western
Kansas City, Mexico & Orient
Kansas City Southern
Kansas, Oklahoma & Gulf
Midland Valley
Missouri, Kansas, Texas
Missouri Pacific
St. Louis-San Francisco
* Wichita Valley

Gulf, Colorado & Santa Fe
Panhandle & Santa Fe
Gulf Coast Lines
Chicago, Rock Island & Pacific
El Paso & Southwestern
Ft. Worth & Denver City
Galveston, Harrisburg & San Antonio
Houston & Texas Central
Houston East & West Texas
International & Great Northern
Kansas City, Mexico & Orient
Kansas, Oklahoma & Gulf
Missouri, Kansas, Texas
St. Louis-San Francisco
St. Louis-Southwestern of Texas
San Antonio & Aransas Pass
San Antonio, Uvalde & Gulf
Texarkana & Ft. Smith
Texas & New Orleans
Texas & Pacific
Trinity & Brazos Valley
Wichita Valley
* Louisiana Ry. & Nav. Co. of Texas

*—M. & N. A.—L. R. & N. Co. of Texas—Wichita Valley not included in statement for 1922.
**—M. K. T. of Texas in Louisiana not included in statement for 1924.

[fol. 447] Cross-examination:

In the case where divisions were made on Council Bluffs or Omaha or South Omaha, the revenues for the Western Trunk Lines have only been shown on North of Council Bluffs or Omaha. Of Mr. Balch's exhibits, the principal exhibit in which revenue is shown east of Omaha is for the Chicago & Northwestern. The larger proportion of the traffic was interchanged with the Missouri Pacific, which, so far as the information I have indicates, hauled the traffic both North and South of Kansas City. Whether they make any division of revenue in their own accounts I do not know, but it did not seem to us proper to attempt any subdivision of the South-Omaha traffic where it was interchanged there.

The revenue which would be earned by the Missouri Pacific in hauling that traffic from Kansas City to Omaha or Council Bluffs would be revenue properly attributable to the Western Trunk Lines as a group in considering the Western Trunk Line group versus the Southwestern group (Tr. 4641-4642).

Mr. Towner: Well that's a conclusion and I disagree with him. I think that both you and the witness are wrong.

Mr. Outlaw: Well, Mr. Towner, the witness has answered (Tr. 4642).

The figures I gave concerning the amount of increased revenue to the various lines by reason of prior agreements in this case did not include all of the lines in Western Trunk Line territory which participated in the increase, and that is the reason I gave the names of the roads for which I had the figures.

To the extent that any lines are omitted from the computation, the total amount of the loss to other lines contributing this increase is not shown by my figures. I left out the C. M. & St. P. because I could not get the figures. Their Accounting Department was unable to prepare the state-[fol. 448] ment for me. We tried to get them. That line was very active in the transcontinental case, and has offered testimony in the Southwestern phase of the case. I have no figures for either the Rock Island or the Burlington. Those are large lines carrying considerable of this traffic. If I had included these increases, the increase in amount would

have been considerably greater. This is not a case of omission. I got all I could. I would estimate roughly that the Western Trunk Lines as a whole are getting approximately one million and a half dollars revenue out of the settlement of July 1st (Tr. 4643-4644).

In my exhibit A-80 I have excluded in the traffic density figures (page 2) for Western Trunk Line territory, the states of North and South Dakota. Those states have very comparatively light traffic density, particularly South Dakota. There are a few through rates into North Dakota from the Southwest. There are a few, I think, in a portion of South Dakota, east of the Missouri River.

I have examined somewhat the detailed statement put into record by Mr. Balch, covering the month of June 1924. Those exhibits probably show little if anything at all of traffic in North Dakota, and I think there is very little in South Dakota. I think it can be correctly said that it is infinitesimal compared with the whole (Tr. 4644-4645).

I have both included and excluded Illinois, particularly with reference to that part of the territory west of the Mississippi River. The state of Illinois, both because of its large coal traffic and because of the stem line leading out of the large railroad centers into Illinois has traffic density much heavier than that of the states which adjoin it to the West and to the North.

[fol. 449] I doubt if the rate levels in Illinois are lower than in the territory immediately west of it. It varies a good deal, and it is pretty hard to draw an apt comparison, but we at least have one case in which the Commission has fixed a lower level of cement rates in Illinois than in the territory West and Northwest. The original case is Docket 8182, but the decision in which they made that difference was the complaint of the Atlas Portland Cement Company who started, I think, about two years ago. It is not the same docket, but it grows out of that original 8182 investigation.

I would prefer not to attempt to say definitely whether considerably more than half of the business interchanged between the Western Trunk Line and the Southwestern Lines is to or from points in Illinois (Tr. 4645-4646-4647).

The following is quoted verbatim from the transcript of testimony:

By Mr. Muckley:

Q. I just want to ask you this, don't you think it would be fair as long as you have eliminated the ore roads in Minnesota because they don't participate in this traffic, that also North and South Dakota should be eliminated because of the light traffic if any?

A. They have very little relation I think to this proceeding and in my original exhibit I did not include it.

Q. You eliminated it.

Mr. Towner: I again reserve the right to disagree with Mr. Parsons on that (Tr. 4647-4648).

The witness was thereupon excused and the following discussion occurred:

[fol. 450] Exam. Eisque: We are ready for the Southwestern Lines evidence now.

Mr. Larimore: I would like to ask Mr. Towner a question before we proceed.

Mr. Towner: Sure.

Mr. Larimore: Are the Western Trunk Lines advocating a change in the Western division because of the alleged financial necessity of the Western Trunk Lines or the alleged inequalities of the present divisions?

Mr. Towner: Well, it is difficult for me to answer that definitely, but I have an idea that before we get through that both of those things will be important. That would be my guess at this time.

Mr. Larimore: That's all right, I just want to get your viewpoint on that.

Mr. Towner: Well, at this time I think they are both (Tr. 4648-4649).

J. E. Hutchinson was thereupon called as a witness and testified as follows:

Direct examination:

I am Vice President of the St. Louis San Francisco Railway, St. Louis. I have been in the railroad service with the

exception of a brief interval, since I was thirteen years old, and all on the operating side of the work, starting as a messenger boy, a telegraph operator and train dispatcher, chief dispatcher, trainmaster, superintendent of terminal, superintendent, general superintendent, general manager and Vice President. I have been with the Frisco Railroad twenty three years, starting as a trainmaster, and have held successively the positions of trainmaster, superintendent of terminals, Division Superintendent, General Superintendent, General Manager and Vice President. I started [fol. 451] with the Chicago & Alton as a boy, worked for them a good many years, worked on several other railroads for short times (Tr. 4649-4650).

Much of the territory traversed by the Frisco Lines is rough and hilly. That makes for many heavy grades and curves, and which make for difficult and expensive operation. That is particularly true by reason of the fact that most of the heavy grades and curves are on main lines having heavy density. Engines of great tractive effort operated on those lines cannot handle the tonnage trains that they are capable of handling under ordinary conditions on account of having to combat so much grade resistance and curvature (Tr. 4650).

Take for example our first freight train division out of St. Louis to the west, running from St. Louis to Newburg, Mo., a distance of 119 miles. This is a line of heavy density and the preponderance of traffic is eastbound. There are many heavy grades in both directions. Westbound the ruling grade is between Moselle and St. Clair, where the grade is 1.36 per cent. The tonnage rating of an engine of 71,000 pounds tractive effort is only 1,900 tons. Eastbound there are at least fifteen grades of 1 per cent or more, the ruling grade of 1.37 per cent being between Newburg and Rolla. At this point we provide helper engine service for through freight trains between Newburg and Dillon, a distance of about 13 miles, the grade between Newburg and Rolla being 1.37 per cent and between Rolla and Dillon 1.18 per cent. At this point we also provide helper service for some through passenger trains eastbound between Newburg and Rolla. The rating of an engine of 71,000 pounds tractive effort from Newburg to St. Louis is 1,850 tons without helper service and 2,900 tons with helper service

[fol. 452] between Newburg and Dillon. Over a reasonably level track there is no reason why an engine of 71,000 pounds tractive effort should not be able to handle more than twice that tonnage (Tr. 4651).

At times, during periods of heavy rains, the Meramec River, which we cross at three places between St. Louis and 45 miles west thereof, overflows, causing much damage to our tracks and other property in that territory. In August, 1915, when we had continued heavy rains the River Des Peres at St. Louis and the Meramec River overflowed and many miles of our tracks at different places were under water anywhere from one to twelve feet. At several points the tracks were completely washed off the dump. The repair damage alone was in the neighborhood of $30,000.00, saying nothing about the loss in gross revenue, as a result of having the main stem of an important main line out of commission for a long time.

On the freight train division between Newburg, Mo., and Springfield, Mo., a very heavy density line, we cross the Ozark Mountains and have a number of grades in excess of 1 per cent, even many in excess of 1.5 per cent; in fact between Jerome, which is about 5 miles west of Newburg, and Dixon, a distance of 10 miles, we rise 495 feet and encounter a grade of 2.3 per cent westbound. Between Newburg and Dixon we provide helper service for all through freight trains and some through passenger trains. Up to a few years ago we were required to provide helper engine service over the Dixon Hill for all through passenger trains. In the last two years, however, we have acquired some extraordinary heavy mountain type passenger engines for use on some through passenger trains on this division, which can make the grade over Dixon Hill without a helper engine. Over this division a 71,000 pound tractive effort engine carries a rating of only 1,200 tons [fol. 453] single and 2,050 tons with helper service over Dixon Hill (Tr. 4651-4652).

On freight train division from Springfield, Mo., west and south to Monett, Mo., heavy grades are not so much in evidence, although there are some in excess of 1 per cent in both directions. Here, however, we are confronted with much difficulty in having to cross a few small streams,

which, being very shallow and practically dry in dry seasons of the year, are very treacherous in times of heavy rains. They seem to go on a rampage after every heavy rain, causing much damage to roadbed and track. This is particularly true of Spring River, which we cross on this line at or near Verona, Mo., 274 miles west of St. Louis (Tr. 4652-4653).

What I have just said about the line from Springfield to Monett is true also of the line from Monett to Sapulpa, Okla., except that there the situation with respect to treacherous streams, floods and washouts is much worse. Between Monett and Neosho, a distance of 28 miles, we cross Shoal Creek and its tributaries no less than 16 times. Almost any heavy rain in this territory causes serious overflow of these streams, resulting in serious washouts of roadbed and tracks. The line is often out of commission for weeks at a time, necessitating long detours and expensive delays to traffic. We have spent hundreds of thousands of dollars not only in repair of flood damage, but in our efforts to overcome the flood damage by raising grades, relocation of line, etc. We have many times felt that we had controlled the situation, but have just as many times met with disappointment since there is a recurrence of [fol. 454] these floods every so often, regardless of our efforts and expenditure of vast sums of money to avoid them. Just west of Vinita, Okla., where we cross the Big Cabin Creek, we have much damage, expense and delay by reason of floods. From the standpoint of grades, this line between Monett, Mo., and Sepulpa, Okla., is not as difficult to operate as the line between St. Louis and Springfield, but it has many grades in excess of 1 per cent nevertheless. For example, west out of Neosho, Mo., we have a 1.25 per cent grade for a distance of about three miles, which makes for considerable reduced train tonnage in that direction, by reason of trains stopping at Neosho having to begin climbing from the very start and having no momentum as an aid in carrying them over the hill. We have practically the same situation out of Tulsa eastbound with a 1.11 per cent grade. It is often necessary for switch engines at that point to assist trains out of the yard (Tr. 4653-4654).

The characteristics of the other major lines of the Frisco in Central and Western Oklahoma are much the same as

those of the line between Monett, Mo. and Sapulpa, Okla., particularly as to the crossing of streams and flood conditions. On the line between Sapulpa and Oklahoma City the most troublesome streams we cross is the North Canadian River and that we cross twice, once near Junes, Okla., 18 miles east of Oklahoma City and once right at Oklahoma City. Between Oklahoma City and Quanah, Texas, the more important streams we cross are the South Canadian River near Mustang, the Salt Fork near Olustee and Red River near Quanah, Tex. Between Sapulpa, Oklahoma, and Sherman, Texas, we again cross the North Canadian at a [fol. 455] point between Wetumka and Weleetka and the Red River near Denison, Texas. In Western Oklahoma on the line from Beaumont Junction, Kansas, south through Enid and Snyder, Okla., to Quanah, Texas, we have considerable flood damages from the overflow of the following streams: The Walnut River at Winfield, Kansas; the Arkansas River at Arkansas City, Kansas; the Chickasha River at Blackwell, Okla.; the Salt Fork Creek at Salt Fork, Okla.; the Cimarron River at Ames, Okla.; the North Canadian River between Carleton and Eagle City, Okla.; the South Canadian River at Fay, Okla., and the Red River north of Vernon, Texas. We cross many other streams in this territory, but those I have mentioned are the most treacherous and cause the most damage in case of heavy rains. The streams are all of the same character—they are very shallow with sandy beds. We have spent large sums of money in an effort to avoid or minimize the damage from the overflow of these streams, but to no avail. Control of these streams seems to be out of the question. In flood periods they often change their course, thus augmenting the damage to property caused by the ordinary overflow.

In view of the streams which I have mentioned being small, they look innocent, and would go almost unobserved in dry weather. My statements with respect to their destructibility may seen strange, but I am prepared to say that they are a real menace. It is not only the damage to our property that causes us so much concern, but also the fact that parts of our lines are out of commission for weeks at a time, necessitating detours where possible, delay to traffic and diversion of traffic to other roads, etc. In this connection, I may mention as an example our experience

with floods in this and other territory during the year 1923. During the months of May and June and again during September, October and November, 1923, floods re-
[fol. 456] sulting from heavy rains entailed an extraordinary expense to the Frisco approximating $600,000.00. In many instances roadway, bridges and other structures, heavily damaged in May and June, after being repaired or replaced, were again completely wrecked in September, October and November. The flood condition prevailed over practically the entire line, but by far the heaviest damage occurred in Southwest Missouri, Oklahoma and Kansas. In addition to the great expenditures in repair of the flood damages we suffered a loss in gross revenues of fully $3,000,000.00 by reason of our inability to operate over many parts of our line for long periods at a time, necessitating diversion of traffic to other roads (Tr. 4654-5655-4656).

I will now refer to conditions on our line from Kansas City of Afton, Okla., where at the latter point, we connect with the main line between Monett, Mo. and Sapulpa, Okla. In comparison with some other main lines the grades on this line are not so numerous nor as steep, although there are some in excess of 1 per cent. Out of Ft. Scott northbound, we find it necessary to furnish helper engine service to through freight trains for a distance of 7 miles in order to realize a better train tonnage in the direction of volume, the preponderance of traffic being northbound. The traffic on this train division is unbalanced, being approximately 3 to 1; that is, three times as great northbound as southbound, and the cost of operation is high, considering the density. If it were not for the unbalanced traffic, the cost on this division should be fairly low. We here also have disastrous floods, since we cross certain streams principally among which is the Marias de Cygnes, which we cross twice, once at a point 61 miles and again at a point 67 miles south of Kansas City. The distance from Monett, Missouri to Paris, Texas is 302 miles. The line from Monett, Mo. south through Ft. Smith, Ark., to Paris, [fol. 457] Texas, shows a very high operating cost for several reasons. First, on account of the extreme heavy grades and second, on account of thin traffic. Between Monett, Mo. and Ft. Smith, Ark. we again encounter the

Ozark Mountains and we have extremely heavy grades in both directions. From Ft. Smith northbound to Winslow, Ark., a distance of 41 miles, we rise from 423 feet to 1,729 feet above sea level, or 1,306 feet. We reach the peak at Winslow where we have a 2.45 per cent grade northbound and 1.44 per cent southbound. Northbound we furnish helper engine service to all trains, through and local freight and passenger, between Chester and Winslow, a distance of about 11 miles. Between Ft. Smith, Ark. and Paris, Texas we have very much the same situation as between Monett and Ft. Smith—there are heavy grades in both directions. On this division, right at the Arkansas-Oklahoma State Line we have a 1.63 per cent grade southbound and 1.08 per per cent grade northbound. The peak is reached on Winding Stair Mountain between Talihina and Compton, Okla., about 63 miles south of Ft. Smith, where the southbound grade is 2.41 per cent and the northbound grade 2.27 per cent. At this point we find it necessary to furnish helper engine service to all freight trains, both north and south bound. The Red River, which we cross on this line near Arthur City, Texas, is very troublesome and the source of a vast expenditure of money in an effort to control its ever changing channel. In the year 1903, when the river was eating its way into the Texas side of the bank, we spent in the neighborhood of $55,000.00 on rip rap and retaining walls. By 1915, the river had made such further inroads into its bank that we found it necessary to extend the retaining walls at an additional expenditure of $45,000.00. [fol. 458] At this date we are again confronted with a further extension of the retaining walls which will mean the expenditure of much money. Sooner or later the river will cut through and we will then be compelled to build a new bridge at the expenditure of perhaps half a million dollars. The bridge now there will then be on dry land and worthless (Tr. 4657-4658).

I call attention to the line from Ft. Scott, Kansas, southeast through Springfield, Mo. to Memphis, Tenn. The freight train division between Ft. Scott and Springfield is very rough and full of heavy grades in both directions. Right at Ft. Scott on this line we find it necessary to help through freight trains into and out of the yard for a distance of 4 miles. Grades of 1 per cent. and over are very

common on this line. At Emmet, about 25 miles north and west of Springfield, we have a long grade northbound of 1.62 per cent and southbound of 1.5 per cent. On the freight train division between Springfield and Thayer, Mo., we again cross over the Ozark Mountains. We have here many long, heavy grades. At short distance out of Springfield near Turner we have a 1.41 per cent grade southbound and also northbound. Near Whetsone Doubling the grades are 1.62 northbound and 1.67 per cent southbound. There are many other long grades in excess of 1.5 per cent. There is a rise from 518 feet at Thayer to 1,675 feet at Cedar Gap, or 1,157 feet in a distance of 96 miles. Between Springfield and Cedar Gap we rise 425 feet in a distance of 41 miles, Springfield being 1,251 feet and Cedar Gap 1,675 feet above sea level. The maximum trainload an engine of 71,000 pounds tractive effort can handle over this division is 1,750 tons southbound and 1,600 tons northbound. Over [fol. 459] reasonably level track an engine of that size could handle several times that tonnage on a trip. Between Thayer and Memphis we get into the Mississippi Valley and heavy grades are not much in evidence. Here an engine of 71,000 pounds tractive effort is rated at 3,200 tons southbound and 3,150 tons northbound. This line, however, is subject to the Mississippi River floods, which are disastrous. I have seen this line flooded from Memphis to 52 miles west thereof (Tr. 4659-4660).

Our main line along the Mississippi River between St. Louis and Memphis, or rather between Southeast Junction about 7 miles west of St. Louis, where it joins the main line between St. Louis and Springfield, and Turrell, Ark., where it joins the main line between Kansas City and Memphis, is fairly level and free of heavy grades, with the exception of the 33 miles between Southeast Junction and Crystal City on which there are heavy grades and where we furnish helper engine service to local and through freight trains in both directions. Those parts of the line between Crystal City and Chaffee, 104 miles, and between Conran, which is 49 miles south of Chaffee, and Turrell, 90 miles, are subject to the Mississippi River floods, the same as the line between Memphis and Thayer. We have raised our tracks several feet at different points and otherwise spent and contributed large sums of money toward the prevention of those floods,

but our efforts have not been fully rewarded. We have absolutely no assurance that those floods will not recur again. Going back several years, I want to say that we had Mississippi River floods in the years 1912, 1913 and again in 1922. As an example of what these floods mean in the destruction [fol. 460] of property, restoration expense and loss of great revenue, I shall make brief reference to the flood of 1912. In that year the stage of water in the Mississippi River averaged five feet above previous flood records and in consequence the protection levee broke at a point opposite Portageville, Mo., on March 24th. Subsequent breaks below that point and above Memphis, Tenn., put 153 miles of our track in Missouri and Arkansas out of commission, breaking the important main lines between St. Louis and Memphis, and between Kansas City and Memphis. These lines were not restored for service until May 10th of that year. The restoration cost was in the neighborhood of $400,000.00. The loss in gross revenue resulting from having two heavy density main lines out of commission for more than six weeks can be imagined. It is my opinion that the loss in revenue to the Frisco amounted to in excess of a million dollars.

It is my understanding that our line between Memphis and Birmingham is not involved in this proceeding, and I will, therefore, not go into the matter of characteristics of road as applying to that line. So far as this case is concerned, believe I have covered all of our major lines. Perhaps I have gone into more detail than I should have, but it was my purpose to make clear to the Commission our operating diffi*d*ulties in this territory (Tr. 4660-4661).

I will now refer briefly to branch line operation as compared with main line operation. Much of the Frisco mileage is represented by branch lines (about 40 per cent). Practically all of our branch lines are lines of light traffic and the cost of operation is very high. That is due to the inability of reducing train service consistent with the volume of business. In reducing train service on branch lines you reach an irreducible minimum beyond which you cannot go and which you are compelled to furnish whether [fol. 461] the business offered justifies it or not. I will give a few illustrations of how branch line operations affect your train loading and unit cost of the system as a whole. Take

our River Division for example, which is the main line and branches along the Mississippi River between St. Louis and Turrell, Arkansas, about 22 miles west of Memphis. Much of the mileage of this division is represented by branch lines. For the year 1924 the freight train performance on the main line of this division was as follows: Gross tons per train 1,576; net tons per train 734; wages of train and enginemen per 1,000 gross ton miles 31 cents and per 1,000 net ton miles 66 cents. For the branch lines the *permance* was: Gross tons per train 446; net tons per train 194; wages of train and enginemen per 1,000 gross ton miles $1.62; and per 1,000 net ton miles $3.73. For the division as a whole the performance was as follows: Gross tons per train 1,215; net tons per train 561; wages per 1,000 gross ton miles 46 cents and per 1,000 net ton miles $1.00. For the Central Division, which is a heavy grade and light traffic line from Monett, Mo. south through Ft. Smith, Ark. to Paris, Texas, with a few branches in Arkansas and Oklahoma, the freight train performance for the year 1924 was as follows: Main line—gross tons per train 832; net tons per train 354; wages of train and enginemen per 1,000 gross ton miles 52 cents, and per 1,000 net ton miles $1.21. Branch lines—Gross tons per train 474; net tons per train 200; wages per 1,000 gross ton miles $1.15 and per 1,000 net ton miles $2.73. These illustrations will serve the purpose of showing how branch line operations and operations on lines of light traffic and heavy grades affect train loading and unit costs (Tr. 4662-4663).

[fol. 462] For the Frisco System as a whole the freight train performance separately for main and branch lines, for the year 1924 was as follows: main lines—gross tons per train 1,251; net tons per train 527; wages of train and enginemen per 1,000 gross ton miles 35 cents and per 1,000 net ton miles 83 cents. Branch lines—gross tons per train 433; net tons per train 184; wages per 1,000 gross ton miles $1.44 and per 1,000 net ton miles $3.40. Main and Branch Lines combined—gross tons per train 1,173; net tons per train 495; wages per 1,000 gross ton miles 39 cents and per 1,000 net ton miles 93 cents. I want to say in connection with these figures that the separation as between main and branch lines is not entirely accurate, as there are certain lines that were included as main lines that should have been

treated as branch lines, but the figures had been so compiled and I was unable to make the rearrangement. I merely offered them here to show in a large way how lines with heavy grades, lines of light tonnage and branch lines affect your train loading and unit cost, and they serve that purpose very well (Tr. 4663-4664).

I am informed that at the November hearing of this case in Chicago witnesses for the Western Trunk Lines testified that in the past ten years or so they had expended large sums of money in the improvement of their properties, increased the tractive effort of engines, increased their train loading and otherwise realized many and substantial economies in operation. In that, of course, the Western Trunk Lines do not stand alone. The lines in the southwest have also made great strides forward in that direction. Speaking for the Frisco, I want to say that in the past 10 years, and particularly in the past 5 years, we have incurred large expenditures in the improvement of our property. We did [fol. 463] extensive work in ditching and bank widening, filling of temporary trestles, ballasting, laying of heavier rail, building heavier bridges, extending and building new mechanical, station and yard facilities, constructing second main line tracks and made many other improvements all in the interest of greater safety, and more efficient and economical operation. We completely rebuilt thousands of our freight cars and many of our passenger cars. In addition we purchased much new equipment—locomotives of greater tractive effort and freight cars of greater loading capacity. A list of new equipment acquired since 1916 is as follows: 163 freight engines with an average tractive effort ranging from 51,500 to 71,480 pounds; 7 switch engines; 30 heavy mountain type passenger engines, 4,700 box cars of 80,000 pounds capacity; 2,500 coal cars of 100,000 and 110,000 pounds capacity; 300 stock cars; 28 passenger train cars; 3 gasoline electric motor cars and some coaling cranes, pile drivers and derricks. In addition we contracted for new equipment for delivery in this year as follows: 15 heavy freight engines; 10 mountain type passenger engines; 2,500 50-ton box cars; 1,000 50-ton automobile cars; 500 55-ton coal cars and 14 all steel coaches (Tr. 4664-4665).

While additions and improvements to the fixed property were substantial, still greater improvement work should

have and could have been carried on had the earnings justified. That is particularly true in the matter of second track work, elimination of grades and curves and the extension of terminals. That work requires the expenditure of vast sums of money and we have not been able to carry it on as extensively as the necessity for it justified, by reason of the lack of earnings. Those improvements can only be undertaken from time to time in the future as the earnings permit (Tr. 4665).

[fol. 464] I desire to refer briefly to the increased efficiency and economies which we have realized on the Frisco in the past few years. Increased freight train loading, when not interfering with getting trains over the road, as we all know, is an important factor in reducing operating costs. On the Frisco we have had a substantial increase in the loading of freight trains as indicated by the following gross and net tons per train: Gross tons per train: 1916, 912; 1921, 976; 1924, 1,173; 11 months ended November 30, 1925, 1,258—increase in the eleven months ended November 30, 1925, over the year 1916 of 346 tons, or 38 per cent. This in the light of an increase in tractive effort of engines of approximately 20 per cent. The net tons per train compare as follows: 1916, 408; 1921, 416; 1924, 495; 11 months ended November 30, 1925, 514. This increase in train loading was accomplished with a reduction in the overtime of freight trainmen and enginemen. The percentages of overtime wages to total wages for the several years are as follows: 1916, 21.34 per cent; 1921, 17.57 per cent; 1924, 15.86 per cent; 11 months ended November 30, 1925, 13.76 per cent (Tr. 4666).

The pounds of fuel consumed per 1,000 gross ton miles decreased from 233 pounds for the year 1916 to 184 pounds for the eleven months ended November 30, 1925. The wages of freight trainmen and enginemen per 1,000 gross ton miles for 1916 are not comparable with similar figures for the later periods, on account of the figures for the later periods reflecting an increase in wage of about 90 per cent, but the figures for the four periods are as follows: 1916, 32c; 1921, 50c; 1924, 40c; 11 months ended November 30, 1925, 38c. Giving consideration, however, to the 90 per cent increase in wages the better performance becomes apparent. The average miles per freight car per day in-

[fol. 465] creased from 24.99 miles in 1916 to 31.12 miles in the eleven months ended November 30, 1925, or 24.5 per cent (Tr. 4666-4667).

We have for some years past carried on an extensive campaign in the matters of safety and claim prevention. That our efforts have been regarded is evidenced by the comparisons of personal injury claim and loss and damage claim payments for the 7 years ended June 30, 1916, with the similar payments for the year 1924, as follows: Injuries to persons in the Maintenance of Way and Structures group per $100.00 of Maintenance of Way and Structures expenses, amounted to 75 cents for the seven year period and 63 cents for the year 1924. Injuries to persons in the Maintenance of Equipment group per $100.00 of Equipment repair expenses amounted to 89 cents for the seven year period and 86 cents for the year 1924. Injuries to persons in the Transportation group per $100.00 of Transportation expenses amounted to $2.97 for the seven year period and $2.14 for the year 1924. Loss and damage freight per $100.00 of freight revenue amounted to $1.59 for the seven year period and $1.07 for the year 1924.

Combined for all personal injury accounts and less and damage freight, the cost per $100.00 of gross revenue was $2.35 for the seven year period and $1.72 for the year 1924, a decrease of 63 cents, or 26.8 per cent. In passing, I may mention the fact that our Loss and Damage Freight Account for the eleven months ended November 30, 1925, amounted to 74 cents per $100.00 of freight revenue to compare with the $1.59 for the period of seven years ended June 30, 1916, and the $1.07 for the year 1924. That, in my opinion, is a remarkable showing, particularly when considering the fact that commodity prices increased substantially more than did freight rates. Passenger traffic, [fol. 466] as we all know, is declining. The passenger miles per mile of road are as follows: 1916, 113,292; 1917, 138,105; 1921, 118,167; 1922, 104,423; 1923, 112,569; 1924, 101,865. The year 1925 will show a lesser passenger density than the year 1924 (Tr. 4667-4668).

I desire to give our transportation ratios and the total operating ratios for the several years past, since they reflect all of the matters to which I have referred above. I will not include the year 1916, because the operating ex-

penses since the year 1916, by reason of increased wage rates and increased prices of materials and supplies, increased so much more than did the revenues. The increases in wage rates and material prices were substantially greater than the increases in freight and passenger rates, and, therefore, the transportation and operating ratios for the year 1916 would not be comparable with the ratios of the later years.

The ratio of the cost of conducting transportation to revenue for the several years past are as follows: 1921, 38.69 per cent; 1922, 38.12 per cent; 1923, 35.75 per cent; 1924, 34.08 per cent; 11 months ended November 30, 1925, 33.73 per cent. The total operating ratios are: 1921, 74.63 per cent; 1922, 75.53 per cent; 1923, 73.64 per cent; 1924, 70.92 per cent; 11 months ended November 30, 1925, 69.70 per cent. The year 1922 was the year of the Shopmen's strike on the Frisco (Tr. 4669).

In conclusion I want to say that in spite of all the improvements and additions made to the property, the added equipment, the greater efficiency and economies in operation to which I have referred, and there are many others, the Frisco has never yet earned a fair return on its investment. Furthermore, our rate of return on investment is today but slightly greater than it was ten years ago. Our [fol. 467] rates of return on investment for the years 1916 and 1917, and the several years past, are as follows: 1916, 4.28 per cent; 1917, 4.35 per cent; 1921, 4.34 per cent; 1922, 3.76 per cent; 1923, 4.34 per cent; 1924, 4.82 per cent (Tr. 4669).

In connection with my testimony on grades and curves, I desire to offer an exhibit containing statement showing characteristics of road of St. Louis-San Francisco Railway Lines as of April, 1917, and statement showing the degrees of curvature by sub-divisions and operating divisions of the St. Louis-San Francisco Railway Company. There has been some little grade reduction and straightening of curves work on the road since April, 1917, but not a very large amount. The statement referred to by the witness was thereupon offered in evidence as exhibit A-81 (Tr. 4670).

(Exhibit A-81 was received in evidence.)

[fol. 468] Cross-examination:

Starting with St. Louis and going to Texas, we have practically two routes to Fort Worth. The route that we use most for freight traffic is the line through Springfield, Monett, Sapulpa, Denison and Sherman. From Kansas City, the Fort Scott line direct to Afton, through Girard, Cherokee and Columbus. That is the main line from Kansas City, then on through Sapulpa, Sherman and Denison. Starting at Kansas City, coming down through Fort Scott, then Springfield, and then there is just one main line, Springfield to Memphis. The line from Kansas City through Harrisonville from Clinton and then to Springfield is a branch line. The Frisco has now taken over what is known as the Kansas City, Clinton & Springfield, that is a third line practically between Kansas City and Springfield. It is also a very light branch line.

The line extending from Paris north through Fort Smith, Arkansas, to Monett, is used for some fast freight traffic, but it is not a heavy line at all for through business. I guess you would have to consider it as a main line and yet it is not a heavy main line. It is a light main line. The line from St. Louis coming down the Mississippi River to Memphis is a main line. The other lines, outside of those that I have mentioned as main lines, constitute the 40 per cent of our lines which is branch line. There is still a little line that would be called main line other than that I have mentioned, that is the line from Sapulpa to Oklahoma City. That is a pretty good line; doubtless would be classed as a main line. Then there is a line from Tulsa to Enid that I guess they would class as main line. I did class it as such in arriving at the 40 per cent branch line (Tr. 4670-4671-4672).

[fol. 469] Attorney Towner thereupon asked the witness if he could arrange to let him have a profile of the various lines of the Frisco showing grade percentages, and length of the grade. Mr. Press said that he had a copy but did not want to introduce it.

There followed a controversy between Attorney Towner and Attorney Roberts, during the course of which Attorney Roberts offered a copy of the profile to Attorney Towner but refused to introduce it in evidence, saying that he would

try the case in his own way, and that Attorney Towner could introduce the profile if he desired to do so (Tr. 4673-4674).

Referring to Exhibit A-81, taking for example, the first mileage shown from St. Louis to the south bank of the Red River of 717 miles and the length of the straight line, slightly over 508 miles, the 508 miles is not an absolutely straight mileage without any curve in it. Any deviation from the tangent I would consider is a curve. I assume that that is the number of miles of curved and the number of miles of straight line between those points. I don't know whether or not that is a fact. I never measured the mileage. I have been over it a good many hundreds of times but I never measured it.

Q. Well, let's go across to where you show the grades. Now you show the length of level line out of that approximately 717 miles of 105 miles. Is that 105 miles of railroad that has no rise nor fall in it?

A. I assume that is what that "length" means, yes.

Q. Now you have six hundred and some odd miles of grades. Now what have you considered to be a grade in getting up these figures, any deviation from a perfectly flat level?

A. Well, I am not certain.

[fol. 470] Q. For example, if you had a half mile grade three tenths of one per cent, it would be in this sum of ascents, would it not?

A. I am not certain what was considered in making this up. In speaking of a grade we generally do not refer to anything less than three and sometimes four tenths, but I am not certain.

Q. You don't know whether that rule was followed here or not?

A. No, I am not sure (Tr. 4675-4676).

The wording would indicate that the ascents and descents would include any deviation from a perfectly straight line. I am unable to say, because I know that railroad people generally in talking of grades consider three tenths of one per cent of grade as a level piece of track and some even consider four tenths of one per cent as level. I don't know whether that rule is applied to this or not. That applies

to all of the figures with respect to grades and alignment on the first page of Exhibit A-81. I would say the same thing with respect to the figures on page 2. I don't know whether or not the curves represented on page 3 show every deviation from a perfectly straight line. The statements were made by our Accounting and Engineering Departments (Tr. 4676-4677).

The improvements in operation which I have referred to have not been steady, ever since I have been with the property. We had an awful setback during the period of federal control and the strike in 1922 gave us a little of a set back too, so it has not been steady. With the exception of the strike period in 1922, there has been a steady improvement since the roads were turned back in 1920. We have spent quite a good deal of money in the way of flattening out grades and straightening track and improving operating conditions generally. That has helped to reduce our operative cost. We are doing some of this work every year, and it is being vigorously prosecuted at this time (Tr. 4679). [fol. 471] We have some dreams for the future along that line. I don't know whether you would quite call it a program or not. We have a total budget of something like twenty million dollars for this year, a little over half of which is equipment. We will probably spend about seven million dollars in improvements of the nature referred to this year. That money is supposed to be available. We hope that the expenditure will substantially decrease our operating costs; that is what we are spending it for. We have had a steady decline in transportation and operating ratios over the period that I referred to in my direct testimony. I have some very grave doubts about further reducing those. I am leaving here to attend a meeting in Chicago that contemplates about a seventeen per cent increase in wages for trainmen and enginemen. If that is met, I think we will go the other way pretty rapidly. The proposed increase is applicable all over the United States so far as I know. I assume it will cover the western territory equally (Tr. 4678-4679-4680).

We did fairly well as to operating ratio for the first eleven months of 1925. The operating ratio of 69.3 is arrived at by taking all the expenses down to the payment of interest, that is as related to our revenue. That's the per

cent of the gross revenue that it took to operate the property without paying any interest or dividends or anything else. It does include taxes. The eleven months that those figures contemplate were free of flood damage. In 1925 we had none. We had some slight flood damage in 1924 but no heavy. We have had no heavy flood damage since 1923.

The operating expenses that I considered in getting at our operating and transportation ratio include all the items of expense about which I have testified in some detail. It does not include additions and betterments (Tr. 4680-4681).

[fol. 472] Here Attorney Towner asked the witness whether or not he was familiar with the operating conditions in Western Trunk Line territory along the line of flood conditions. Attorney Roberts objected to the question on the ground that this was not within the scope of the direct testimony of the witness. After discussion the examiner ruled that the question about all the Western Trunk Line territory was a little broader than the direct testimony of the witness. Attorney Towner then said that he would confine the question to the territory between St. Louis and Kansas City and between Chicago and the Missouri River. Attorney Roberts again objected because the question did not relate to anything the witness had testified about on track. Attorney Towner thereupon withdrew the question (Tr. 4681-4682-4683).

The Witness, continuing: I am unable to say whether the flood damage on the Frisco is any greater than the conditions obtaining in Western Trunk Line territory. I don't know much about the conditions on other roads. I have been pretty busy on the Frisco for the last two or three years.

Attorney Roberts here objected for the reason that the same question was being asked in different form.

Mr. Towner: What was your answer to that question?

(The Reporter thereupon read the last answer shown by the record.)

The Witness: No, no; I said I had been pretty busy on the Frisco for twenty three years and that is all the answer I made.

Q. Well that was your answer anyway for the purposes of this contention between Mr. Roberts and myself?
A. That is true (Tr. 4683-4684).

[fol. 473] We expect to spend a little more than ten million dollars in 1926 on the purchase of equipment I think. I suppose that the expectation of increased traffic has something to do with it, and to increase our train loading will decrease our operating cost if we can. Cars are heavier and more modern cars in the hopes of an increasing volume of business. We don't know whether we will get any increased business or not (Tr. 4684-4685).

J. P. COWLEY was thereupon called as a witness and testified as follows:

Direct examination:

I am Assistant to the General Manager of the G. C. & S. F. Railway, and have held that position since January 1, 1921.

Prior to that time my operating experience extended over a period of twenty two years with the G. C. & S. F. Railway. During that period I held various clerical positions, Chief Clerk to Superintendent, Chief Clerk to the Vice President and General Manager, Transportation Inspector and Trainmaster (Tr. 4685-4686).

I have had prepared a map of the Gulf Colorado & Santa Fe Lines (Tr. 4686).

The map referred to by the witness was thereupon offered in evidence as Exhibit A-82.

(Exhibit A-82, a map showing the location of the Gulf, Colorado and Santa Fe lines was received in evidence.)

The map is of the Gulf, Colorado and Santa Fe Railway Company's lines, owned, leased and operated. The portion of the line in red coloring represents main line and that portion in yellow coloring represents branch lines, in accordance with our reports to the Interstate Commerce Commission. The small green lines shown in three separate places designate helper districts. The line from Pauls Valley to Shawnee, Pauls Valley to Lindsay and Davis to Sul-

phur are operated for the account of the A. T. & S. F. Rail-
[fol. 474] way. That property is owned by the A. T. & S. F. and the results of operation so far as accounts are concerned are carried in the A. T. & S. F. accounts, but as a practical operating matter it is within the jurisdiction of the G. C. & S. F. (Tr. 4686).

The next exhibit which I offer is a condensed profile of the Gulf, Colorado and Santa Fe Railway Company, a single track railroad, together with its leased and operated lines. The yellow lines shown on the profile denote the helper districts. Due to the rolling and broken contour of most of the country traversed by the Gulf, Colorado and Santa Fe Railway heavy grades are required to surmount hills at irregular intervals, which, although covering a comparatively small percentage of the total mileage, rule the tonnage rating of the motive power and force the operation of lighter tonnage trains, use of heavier power, doubling of hills or helper service (Tr. 4687).

The profile referred to by the witness was thereupon offered in evidence as Exhibit A-83.

(Exhibit A-83 was received in evidence. It is a condensed profile of the Gulf, Colorado & Santa Fe Railway and is described by the witness.)

Of the 1,126 miles of main track 200 miles, or 17.8 per cent, are on curves, ranging from one degree to eight degrees and thirty minutes curves having a total central angle of 22,515 degrees or approximately 20 degrees per mile. This high percentage of curves tends to produce high maintenance and operating costs (Tr. 4687).

The next exhibit consisting of five sheets shows the location of grade revisions and changes of line during the years 1905 to 1909 inclusive, 1910 to 1914 inclusive, and 1920 to 1924 inclusive. The exhibit is self explanatory (Tr. 4688). [fol. 475] I believe that the exhibit is self explanatory (Tr. 4688).

The exhibit referred to by the witness was thereupon offered in evidence as exhibit A-84.

(Exhibit A-84 was received in evidence.)

[fol. 476] The next exhibit of five pages shows the length and character of new and improved ballast replaced dur-

ing years 1905 to 1909 inclusive, 1910 to 1914 inclusive, 1915 to 1919 inclusive, and 1920 to 1924 inclusive. The exhibit is in such detail that further explanation would seem to be unnecessary (Tr. 4688).

The exhibit referred to by the witness was thereupon offered in evidence as exhibit A-85.

(Exhibit A-85 was received in evidence.)

[fol. 477] I have an exhibit consisting of four sheets showing new and improved bridges years 1905 to 1909 inclusive, 1910 to 1914 inclusive, 1915 to 1919 inclusive, and 1920 to 1924 inclusive. The exhibit is self explanatory (Tr. 4689).

The statement referred to by the witness was thereupon offered in evidence as Exhibit A-86.

(Exhibit A-86 was received in evidence.)

[fol. 478] The next exhibit shows miles of rail in track on the Gulf Lines as of January 1st, 1905 and improvements for each five year period thereafter. For example we had 23 plus 1,945 miles of 90 pound rail in 1905, and in 1925 we had 959 plus 1,701 feet.

Commencing with the year 1926 the standard weight of rail to be used in renewals for the portion of the line betweeen Somerville and Gulf Junction has been increased from 90 to 110 pounds. It is the intention during 1926 to relay 28 miles of main track between Cameron and Temple with 110 pound rail, releasing 90 pound rail (Tr. 4689).

The statement referred to by the witness was thereupon offered in evidence as Exhibit A-87.

(Exhibit A-87 was received in evidence.)

[fol. 479] My next exhibit shows the amounts charged to Additions and Betterments during the 20 year period ended December 31st, 1924, in five year periods. The total expenditures for the twenty years amounted to $23,416,735.34. The figures were taken from the annual reports made to the I. C. C.

The statement referred to by the witness was thereupon offered in evidence as Exhibit A-88.

(Exhibit A-88 was received in evidence.)

[fol. 480] The next exhibit which shows the date, location and nature of improvements on account of various floods and washouts during the years 1900 to 1925 inclusive. The total cost of the improvements shown in the exhibit amounted to $2,130,288.00 (Tr. 4690).

The statement referred to by the witness was thereupon offered in evidence as Exhibit A-89.

(Exhibit A-89 was received in evidence.)

The Santa Fe lines, constructed along and across some of the principal rivers of the South and lying in part in the low Coast country of the Gulf of Mexico and having its terminus and principal port on an island, are subject to many floods and tropical storms. In recent years there have been three tropical storms at Galveston—one in September, 1900; one in July, 1909; and one in August, 1915. The storms of 1900 and 1915 damaged the tracks on the island and the tracks and bridges on the mainland for about twenty miles inland. In the restoration it was necessary to replace considerable embankment, all the ballast, and a large portion of the rail and ties.

The storm of 1900 destroyed three separate pile trestles across Galveston Bay and the County bridge, which was of steel trusses on concrete piers. The Santa Fe trestle had been redriven with marine treated piling in 1895 and being the least damaged of the three, the Galveston, Houston and Henderson and the Galveston, Harrisburg and San Antonio decided to co-operate with the Santa Fe resulting in rebuilding the Santa Fe trestle for passage of trains in a [fol. 481] little less than three weeks. The timbers of the various structures were swept for considerable distance, and in some cases the rails were found nine miles away from the bridge, after the storm (Tr. 4690-4691).

The storm of 1909 did not greatly damage the railway property, other than interruption of traffic for a short period. After this storm all of the Railroads and the County joined in construction of a concrete causeway, which was completed in 1912, at a total cost of $2,025,900.00 of which $341,000.00 or 16 and two thirds per cent was the Santa Fe proportion. This structure was practically destroyed in the storm of 1915. Temporary repairs were

made but of sufficient permanence to handle traffic and work of reconstructing causeway was shortly undertaken and the structure completed in 1921 at a total cost of $2,727,-200.00, of which the Santa Fe proportion was $339,000.00 or twelve and one half per cent. In addition, this storm caused very heavy damage to tracks and buildings on the Island and for twenty miles inland, main line traffic being interrupted for 10 days. This same storm destroyed twenty-seven miles of the line between Galveston and Beaumont was entirely washed away, traffic being suspended for about six months until the line was replaced at a cost of $263,000.00.

In the territory of the South Canadian, Washita, Brazos, Trinity and Colorado Rivers frequent floods occur which resulted in a loss to the Company, not only from damage to property but from delays to traffic and claims from abutting property owners. In 1898, 1900, 1908, 1913, 1915, 1921 and 1922 high water was experienced on all these streams, which resulted in serious damage to the track and delays to traffiic (Tr. 4691-4692).

[fol. 482] The Brazos River crosses the Santa Fe Lines at three points, the Washita at five points, the Trinity at three and the Colorado at two points, the Colorado also paralleling the line for a distance of 40 miles on that portion of the line between Sealy and Matagorda. In addition to these larger streams there are several smaller ones that at flood seasons present almost as serious problems to the maintenance of traffic. Among these may be noted the Nolan River, which crosses the Santa Fe three times in the vicinity of Blum, Texas, and Little River which crosses south of Cameron. High water on the Brazos in 1922 flooded several miles of track in the vicinity of Thompsons, the track being badly washed and most of the shell ballast washed away; one of the abutments of the river bridge was lost and the steel span which it supported was saved only by diligent efforts and considerable expense in temporary protection work. This flood caused a delay to traffic of about a week and an expense of several thousand dollars in repairs. At the same time traffic on the line between Sealy and Matagorda was practically stopped and several miles of track overflowed by the Colorado River, resulting in heavy expense for repairs and replacements (Tr. 4692-4693).

The Brazos and Trinity Rivers on the Beaumont Division between Sommerville and Silsbee were flooding several miles of track at the same time, causing delay to traffic and considerable loss of embankment and surfacing material.

The Nolan River, in March, 1922, flooded and washed out track at intervals over a stretch of eight miles. Over a mile of track was washed completely off the right of way and traffic was delayed four days, repairs costing $49,000.00.

At Little River in 1921 high water completely washed away a 600 foot stretch of 15-foot fill, which was later re-
[fol. 483] placed with ballast deck trestle. The ballast and all track material was completely washed off the deck of a 1,700-foot ballast deck trestle and about 10,000 yards of embankment at one end of the trestle were washed out and traffic was delayed six days. Temporary and permanent repairs cost $148,500.00.

Floods on Red, Washita and Canadian Rivers have also at various times caused very heavy damages and delays to traffic. The location of the main line just South of Purcell has been changed twice at an expenditure of over $100,000.00, in addition to heavy expenditures for protection work, to avoid the encroachments of the Canadian River (Tr. 4690-4691-4692-4693-4).

The next exhibit shows the average annual rainfall in the State of Texas during the years 1905 to 1924 inclusive. The averages are shown by defined districts, marked by perpendicular heavy lines, and range from twenty inches in West Texas to fifty-five inches in East Texas (Tr. 4694).

The statement refered to by the witness was thereupon offered in evidence as Exhibit A-90.

(Exhibit A-90 was received in evidence.)

[fol. 484] I also wish to introduce another rainfall exhibit of five inches or more in twenty-four consecutive hours on watersheds of streams crossed by the G. C. & S. F. Railway during the years 1905 to 1924 inclusive. Rainfalls of eight inches or more have been underscored in red (Tr. 4694).

The statement referred to by the witness was thereupon offered in evidence as Exhibit A-91.

(Exhibit A-91 was received in evidence and is described by the witness.)

The exhibit shows the names of the towns and the counties, the various watersheds, the number of inches, and the dates of the rainfalls. Attention is directed to the maximum number of inches in rainfall during twenty-four hours in the following years: 1905, 7.25; 1906, 8.00; 1907, 8.50; 1908, 14.21, 1909, 8.05; 1910, 6.62; 1911, 15.71; 1912, 6.00; 1913, 12.19; 1914, 10.92; 1915, 10.60; 1916, 6.13; 1918, 8.86; 1919, 9.56; 1920, 10.50; 1921, 19.03; 1922, 10; 1923, 13.54; 1924, 13.85.

While these instances of excessive rainfall are shown as occurring within a twenty-four hour period, as a matter of fact they were of much shorter duration, in most cases actually consuming but a few hours, and were of such volume and force as to cause considerable damage to track or other property (Tr. 4695).

The next exhibit shows the number of freight locomotives in service on the Gulf, Colorado and Santa Fe as of September 1st, 1925; it also shows the type and tractive force of the various classes of locomotives.

The statement referred to was thereupon offered in evidence as Exhibit A-92.

(Exhibit A-92 was received in evidence.)

[fol. 485] The assignment of freight power to the various divisions and districts is made to the best advantage, due consideration being given to grades, density of traffic and local conditions. The smaller type engines are used in mixed and local service, also on branch lines.

In moving a tonnage train of through freight northbound from Galveston over First District to Bellville Yard, 106 miles, Santa Fe type 1600 class engine, weighing 272,700 pounds on drivers, with tractive force 74,800 pounds, handles a train of 3,260 tons on a 0.5 per cent grade without break in rating.

The same class engine handles out of Bellville Yard on Second District 1.25 per cent maximum grade, 1,850 tons for 35 miles to Somerville. If more tonnage is handled it necessitates switch engine pushing train out of Bellville Yard. Out of Somerville the same engine fills out and

handles between Somerville and Temple, 77 miles, 2,400 tons on a 1.25 per cent compensated velocity grade, but some time fails and is forced to double at the ruling points, Caldwell, 16 miles from Somerville, Elevation, 28 miles from Somerville, Milano, 33 miles from Somerville, and approaching Temple, 77 miles from Somerville, which necessitates the run over the major portion of this district with loss of efficiency (Tr. 4695-4696).

By doubling I mean that on the one and one quarter per cent grade which governs the rating of the engine, that even when we use the rating that the engine would normally handle over that hill, that frequently it fails to do so and requires a double, which means that the engine will take a part of the train to the top of the hill, set it out and return for the balance. The same class engine leaving Temple on the Third District, Southern Division, for Cleburne, approximately 100 miles, handles 2,400 tons, on 1.25 per cent [fol. 486] maximum compensated velocity grades, which covers only a small percentage of the distance but causes considerable loss in efficiency in order to make them maximum grades at Namhattan, 35 miles north of Temple, at Meridian, 61.7 miles north of Temple and at Rio Vista, 90.5 miles north of Temple. Leaving Cleburne, on Fourth District for Gainesville, 97.5 miles, the same class of engine handles 2,400 tons, on 1.0 per cent grade controlled by ruling grade at Saginaw and Sanger, 55 and 73 miles respectively from Cleburne, thereby causing loss of efficiency of power. Leaving Gainesville on 5th District for Purcell, 106.8 miles, the same class of engine without helper handles 2,300 tons and with helper 3,800 tons on a 1 per cent grade. The 1 per cent grade extends between Gainesville and Dougherty, at which point the helper is dropped; the grade from Dougherty to Gulf Junction is 0.6 per cent and from Gulf Junction to Purcell is 1.0 per cent grade. This class of engine can handle 3,800 tons Dougherty to Gulf Junction without helper, and only 2,300 tons Gulf Junction to Purcell without helper. Helper engines are cut off at Dougherty and returned to Gainesville light, a distance of 59 miles, unless they can be utilized to help south bound train. I mean that that grade is practically 59 miles in length all the way. There are some portions of it that are not the maximum, but the maximum grade occurs four or five times,

which governs the rating of the engine. The helper service is operated at least once in each direction daily, frequently oftener and it is a daily occurrence to reduce tonnage southbound at Dougherty (Tr. 4695-4696-4697-4698).

In handling tonnage trains, through freight, southbound, from Purcell or Gulf Junction to Gainesville, 106.8 miles, the Santa Fe type 1600 class engine, weighing 272,700 pounds on drivers, with tractive force of 74,800 pounds on [fol. 487] a .06 per cent grade between Purcell and Dougherty, handle 3,800 tons; if a helper engine is available at Dougherty, this amount of tonnage can be handled through to Gainesville intact. If no helper engine is available at Dougherty, it is necessary to reduce tonnage from 3,800 to 2,400 tons over the 1 per cent grade existing between the two points. From Gainesville to Cleburne, 93 miles with a 1.0 per cent maximum grade, same class of engine handles 2,400 tons with considerable loss in efficiency on account of the ruling grades at Krum, 26.5 miles south of Gainesville, and on account of the ruling grades from North Fort Worth to Seminary Hill, 63 miles south of Gainesville. From Cleburne to Temple, 100 miles, 0.9 per cent grade, the same class engine handles 2,750 tons which is controlled by the ruling grade south of Kopperl, 23 miles south of Cleburne, and the ruling grade south of Morgan, 31 miles south of Cleburne, and the ruling grade south of Valley Mills, 59 miles south of Cleburne, thereby necessitating operating over major portion of that district with great loss of efficiency.

Temple to Bellville Yard, 112 miles, with 0.8 per cent grade, the same class of engine handles 2,900 tons, which is controlled by ruling grade approaching Hoyte, 37 miles south of Temple, by the ruling grade approaching Elevation, 49 miles south of Temple, and by the ruling grade approaching Gay Hill, 72.4 miles south of Temple, thereby necessitating the operation over a major part of the district with a great loss of efficiency.

Bellville Yard to Galveston, 106 miles with less than 0.5 per cent grade, the same class of engine handles, when tonnage is available, 5,670 tons, or operates over the entire district at a very considerable loss in engine efficiency. For the greater part of the year we have available 5,670 tons to put in one train (Tr. 4698-4699).

[fol. 488] Where there is sufficient tonnage of a class of freight which will not suffer by delay, trains of the Second District of the Southern Division are consolidated to give tonnage when practicable to this class of engine on the First District between Bellville Yard and Galveston. With the Mikado 4000 class engine and the 1900 Consolidation class engine assigned to the main line districts, above referred to, on both north and south-bound business, their tonnage rating for the same breaking point is governed by the same ruling grades as tonnage handled by the Santa Fe type 1600 engines referred to. On the main line west of Temple from Temple to Brownwood, 130 miles, has 1.25 per cent maximum grade varying in length up to eight miles and full of heavy curvatures. The heaviest locomotive we operate, Santa Fe type, weighing 272,700 pounds on drivers, with tractive force 74,800 pounds, handles 1,950 tons under favorable conditions on this district. The main line west of Brownwood between Brownwood and Sweetwater, 112 miles in length, is 1.25 per cent grade Brownwood to Coleman, a distance of 30 miles; 4000 class Mikado type engine is used. This class of engine weighs 244,600 pounds on drivers and has a tractive effort of 63,000 pounds. With a class 1900 engine as helper between Brownwood and Coleman, this class of engine will handle 3,000 tons. When helper engine is not available, 4000 type Mikado engine handles 1,750 tons to Coleman and is able to handle 3,000 tons from Coleman to Sweetwater over a 0.6 per cent grade, a distance of 83 miles. If a helper engine is not available, the train is operated between points named at a great loss of engine efficiency, unless conditions are such that turn around trains are run to move tonnage between Brownwood and Coleman for through trains to fill out on between Coleman and Sweetwater (Tr. 4701).

[fol. 489] On main line between Sweetwater and Brownwood, we have 83 miles of 0.6 per cent grade on which the Mikado 4000 class engine is used, handling 3,500 tons Sweetwater to Coleman, at which point, when available, helper is picked up to move this 3500 ton train intact to Brownwood. If no helper is available it necessitates reducing at Coleman from 3,500 to 1,850 tons on account of the 1.25 per cent grade between Coleman and Brownwood, leaving 1,650

tons to be moved by turn-around service or other helper service. Temple to Brownwood, 130 miles of 1.25 per cent maximum grade, the Santa Fe type class engines are used, with tractive force of 74,800, handling 2,100 tons under favorable conditions, leaving the excess tonnage arriving from Sweetwater District to be handled out with additional train service. Other classes of engines operating west of Temple in both directions, handle the same relative tonnage under same conditions as recited above as handled by the heaviest type engines operating on other respective divisions. Studies of the possibilities of eliminating or reducing the ruling grades on this 1.25 per cent territory between Temple and Coleman indicate it appears to be impracti-ble (Tr. 4701-4702).

On Beaumont Division, Somerville District, extending from Somerville to Silsbee, Texas, 152 miles, main line, Santa Fe type class engines weighing 272,700 pounds on drivers with tractive force of 74,800 pounds, handle 2,800 tons Somerville to Navasota on a 0.6 per cent grade; helper service with 1900 class engine is operated between Navasota and Conroe, a distance of 49 miles over a 2.0 per cent maximum grade. A Santa Fe type engine with 1900 class helper hendles 2,800 tons intact to Conroe; this same engine handles 2,800 tons from Conroe to Silsbee between which points the average grade is 0.6 per cent. When helper engines are not available, it is necessary to reduce at Navasota to 1,750 tons, which calls for additional turnaround train service, [fol. 490] as well as operating engine over balance of district at great loss of efficiency.

In the opposite direction, between Silsbee and Somerville, 152 miles, the same class engine handles 4,000 tons Silsbee to Conroe, over an average grade of 0.6 per cent. With the aid of a helper from Conroe to Navasota, the 4,000 tons can be handled between Conroe and Navasota over the 1.25 per cent grade. The same class engine can then handle the 4,000 tons Navasota to Somerville. If no helper is available it is necessary to reduce at Conroe to 2,500 tons, which calls for additional turnaround service, as well as operating engine over balance of district at great loss of efficiency. Generally speaking, in the instances about which I have testified as to certain grades requiring reduction in tonnage or

helper, the problem presented is a necessary problem that we have to meet with every day in the year (Tr. 4702-4703).

The next exhibit covers a period of approximately fifteen years and it shows the number of locomotives, the total tractive effort, the average tractive effort, and the per cent of increase in the average tractive effort of 1925 over the previous years (Tr. 4703).

The statement referred to by witness was thereupon offered in evidence as Exhibit A-93.

(Exhibit A-93 was received in evidence.)

[fol. 491] It will be seen that 1925 increased over 1911, 51.2 per cent; over 1912, 47.5 per cent; over 1913, 37.3 per cent; over 1914, 35.5 per cent; over 1915, 40.4 per cent; over 1916, 24.9 per cent; over 1917, 27.0 per cent; over 1918, 26.6 per cent; over 1919, 25.3 per cent; over 1920, 25.2 per cent; over 1921, 11.8 per cent; over 1922, 7.3 per cent; over 1923, 4.6 per cent; and over 1924, 3.8 per cent. The figures for the first fourteen years were taken from the annual reports to the I. C. C. The figures for 1925 were taken from the Mechanical records of the Company.

The next exhibit shows the light locomotive miles, the mileage made in doubling hills with freight trains, and the doubleheading and helper mileage, during the five years ended December 31st, 1924 (Tr. 4704).

The statement referred to by witness was thereupon offered in evidence as Exhibit A-94.

(Exhibit A-94 was received in evidence.)

[fol. 492] There are three helper districts on the G. C. & S. F., namely: Brownwood to Coleman, 30 miles. This helper operates in both directions between Brownwood and Coleman. Conroe to Navasota, 44 miles. This is regular helper service in both directions. A helper is being operated from Dougherty to Gainesville, 59 miles. Frequently this helper operates in both directions and sometimes handles a train in the opposite direction, and at times returns light. A considerable portion of the light engine mileage is due to unbalanced traffic necessitating the equalization of power which is unproductive service and tends to increase the cost of operation (Tr. 4704-4705).

My next exhibit shows the average main and branch mileage of the G. C. & S. F., its leased and operated mileage, covering a period of five years. The branch line mileage averaged 41 per cent of the total mileage of the G. C. & S. F. (Tr. 4705).

The statement referred to by the witness was thereupon offered in evidence as Exhibit A-95.

(Exhibit A-95 was received in evidence.)

[fol. 493] Referring particularly to the line from Somerville to Longview, shown on Exhibit A-82, which is the major portion of what is known as the Beaumont Division, serving the lumber territory, has comparatively little traffic compared with other portions of the G. C. & S. F. Railway designated as main lines and is in reality what from an operating standpoint would be termed a branch line. If that were officially designated as branch line the 41 per cent branch line figure would be materially increased. The only reason I can assign for that line being classified in our accounts as main line is possibly because the line from Somerville to Longview is made up of acquired lines which operated that portion of their line as main line and for some reason they seem to have continued it for statistical purposes at least (Tr. 4705-4706).

The black line from MacGregor to Waco on Exhibit A-82 is a portion of the St. Louis Southwestern Line over which we operate mixed service from MacGregor to Waco on a traffic contract (Tr. 4706).

My next exhibit shows the average tons per train, main and branch, during a period of five years. The main line average tons per train were 1,632 tons, while the branch line averaged 991, a ratio of branch to main of 61 per cent. In other words, for every 100 tons per train on the main lines there were only 61 tons per train on the branch lines of the G. C. & S. F. (Tr. 4706-4607).

The statement referred to by the witness was thereupon offered in evidence.

(Exhibit A-96 was received in evidence.)

[fol. 494] Now in explanation of the figure of 1,632 tons, it should be understood that that represents the average

tonnage per train of through and local freight service on the main line and should not be confused with the tonnage handled by individual through freight trains that has been mentioned, which is considerably greater. In describing the operation over the line with the individual through freight trains the tonnage handled was considerably greater than this average which includes both through and local service (Tr. 4707).

The next exhibit shows the net tons per train, revenue and also all freight tons (which include revenue and non-revenue). The revenue tons carried per train in 1924 increased 32.2 per cent over the revenue tons of 1920, and the total tons of 1924 increased 32.4 per cent over 1920. Briefly the exhibit shows that the increased loading of net tons per train in 1924, compared with the year 1920, resulted in a reduction of 4,498 trains (Tr. 4707).

The statement referred to by the witness was thereupon offered in evidence as Exhibit A-97.

(Exhibit A-97 was received in evidence.)

[fol. 495] This exhibit shows the percentage of tonnage carried to the rating of the locomotives in the years 1920 to 1924 on the main and branch lines of the G. C. & S. F. Railway. The branch line percentage is low. The average loss on main line was 14 per cent, while the average loss on branch lines was 34 per cent for the five year period. These figures represent the difference between full rating and what was actually moved by the engines (Tr. 4708).

The statement referred to by the witness was thereupon offered in evidence as Exhibit A-98.

(Exhibit A-98 was received in evidence.)

[fol. 496] In line with similar action on the part of all the carriers in their effort to provide adequate and economical transportation, the G. C. & S. F. Railway, particularly since 1920, has conducted an intensive fuel economy campaign, and as a result the fuel consumption during 1924 was considerably less than was consumed during preceding years. This has been accomplished by the organization and workings of a very efficient fuel conservation department; a

general educational plan inaugurated amont the enginemen and closer supervision of the individuals having to do with the handling of fuel by Road Foremen of Engines and other supervisory officers. Through the establishment of a Safety Department, and the organization and effective results of various Safety Committees, operating under the leadership of that Department, the amount expended each year for personal injuries and other claims on the G. C. & S. F. Railway is being materially reduced. The expenditures in settlement of claims for loss and damage to freight have shown a very satisfactory decrease in 1924 over previous years, which is indicative of the beneficial results being accomplished in the prevention of loss and damage to freight (Tr. 4708-4709).

Cross-examination:

The maximum grade from Gainesville to Dougherty, northbound, is one per cent. We use a helper at that point. We have greater grades of one per cent south of Gainesville. It is what is known as the momentum grades and have been compensated so that by running a train at a higher speed the engine is enabled to handle its rating over those higher grades. Between Gainesville and Dougherty while the grades are only one per cent, they are long and not classed as momentum grades. Only in instances where the grades are momentum and as an operating man terms it, he can get a run for the hill, are the runs south of Gaines- [fol. 497] ville less at a disadvantage as a practical matter in operation than the one per cent grade north of Gainesville. That is true in most cases of all that south of Gainesville. That is not the reason we do not use helpers. We do not use helpers at a number of places that we would like to because under our contracts with our train and enginemen, we are not permitted to use a helper service. Whether or not I would consider twenty four hundred tons in train a fair load, would depend upon the grades on that particular district. In some districts, it is a good train load. I would prefer to have the operating conditions in mind before undertaking to say (Tr. 4709-4710.)

The line from Somerville to Longview, the portion colored in red is in the classification maintained by the Santa Fe as main line. That is for statistical purposes. But really, from our operating standpoint, we figure it a branch line. So far as the Santa Fe classification is concerned, it is main line. Referring to Exhibit A-98, the percentage of loss of tonnage on the main line is not a bad showing. The percentage of loss on the main line traffic is pretty low, but it should be understood that this is the average. You could not apply that every day. If we had our engines rated, or handling that per cent of their normal rating, in both directions, every day in the year, it would be a good showing. But you have that for portions of the year only. Being an average, it follows that during some portions of the year our loss is less and others it is slightly greater. The percentage referred to is applicable to main line. That figure is the average figure for all main line trains operated. I meant to confine it to that. I would say that it might be less as confined to our through main line trains. I would have to work it on that basis to speak definitely. Ordinarily it is true that the through trains show a less loss, percentage loss of tonnage, than other [fol. 498] trains which might be classified as local trains although main line trains (Tr. 4711-4712).

Referring to our loss on branch lines, I would say that is due to the light density of traffic principally (Tr. 4712-4713).

The average tonnage of freight trains main and branch lines during the five years 1920 to 1924, is gross tons. On individual trains operated with the heavier type of our power, that I described, the tonnage would be somewhat higher than the average shown. That would not be the type of power that would be used in through trains in all cases. In the case of that traffic, there might or might not be an increase in the average number of tons according to the class of traffic. Those engines are used on what we term drags (Tr. 4713).

Referring to Exhibit A-94, by doubling hills with trains, I mean where you have a hill that is not or might not be classed as a helper district hill, you see when a man cuts his train in two and takes a portion to the top, then you have lighter mileage coming back to get your other por-

tion. Under the column carrying this information, the light locomotive mileage is shown. The last column in the exhibit shows doubling and helper service. Of course the helper service means on the regular established districts, the second engine helping the other engine up the hill. The figures from 1920 to 1924 show an increase in the number of tons handled, because we have got two helper districts established that we have not had previous to that year. Those two are Brownwood to Coleman and Gainesville to Dougherty. We established those helper districts in order to avoid the setting out at Dougherty in that instance and the running of additional train service to move the traffic. In the judgment of the operating officials of the Santa Fe, the establishment of those districts as helper districts decreased our cost of operation. I would say that the in-[fol. 499] crease from 20,000 to 138,000 should be taken as representing an increase in the cost of handling the traffic for the reason that we hav-n't the traffic to operate that helper at its maximum capacity in both directions. Operating the helper is not always a more economical process than pushing the traffic in sections over the hill at different times, because if we ran a train, we would probably be able to handle more tonnage with two trains than we would with two engines, one of them a helper. We established the helper district because we thought that it was more economical operation and it has proven to be more ecomical (Tr. 4714-4715-4716).

Referring to Exhibit A-83, that profile so far as the detail is concerned is illustrative of all the others in the book. I have shown the grades in feet per mile by directions at the bottom of each sheet. In the first section out of Galveston, the ascent on the northbound business is 2.11 feet per mile. I don't like to make a definite statement because I am not sure that would be the rise per mile or even the rise from Galveston to Bellville Yards. Between each mile on the bottom you notice the rise in feet per mile. For instance between Virginia Point and Texas City Station northward, the rise is 8.98 feet per mile. The same section southbound shows the rise is 14.78 feet per mile. I should think any civil engineer could easily figure out the rise and fall from the figures given (Tr. 4716-4717).

G. W. LUPTON was thereupon called as a witness and testified as follows:

[fol. 500] Direct examination:

I am Assistant to the Vice President in charge of Operation of the A. T. & S. F. Railway and have been for nearly four years.

(Here Attorney Towner conceded the witness's qualifications.) (Tr. 4717-4718.)

I have prepared a map of a portion of the A. T. & S. F. System Lines (Tr. 4718).

The map referred to by the witness was thereupon offered in evidence as Exhibit No. A-99.

(Exhibit A-99 was received in evidence. It is described by the witness.)

The Witness, continuing: The dotted line shows the line of the Panhandle and Santa Fe Railway. A smaller blue line shows the Gulf, Colorado and Santa Fe South of Gainesville. The solid lines are the A. T. & S. F. and the heavy line is the freight route of the A. T. & S. F. over which this traffic moves (Tr. 4718-4719).

I have had prepared another exhibit consisting of the profiles of the Atchison, Topeka and Santa Fe Railway (Tr. 4719).

The profiles referred to by the witness were thereupon offered in evidence as Exhibit A-100.

(Exhibit A-100 consisting of four sections of profile of the A. T. & S. F. Railway System was received in evidence.)

[fol. 501] The Panhandle & Santa Fe Railway Western Lines, the Atchison, Topeka and Santa Fe Railway Company's western lines, Wellington to Oklahoma-Texas State line; the profile of the Atchison, Topeka and Santa Fe Railway Company's eastern lines, east of Kansas City; and the profile of the Atchison, Topeka and Santa Fe Railway's eastern lines west of Kansas City (Tr. 4719).

Supplementing the service rendered by the Gulf, Colorado and Santa Fe in the handling of Texas and Louisiana traffic, the Santa Fe System has in addition to its line

reaching El Paso, what is known as the Panhandle and Santa Fe, serving certain portions of northern and western Texas. This line connects with the Gulf lines at Sweetwater Junction and with the Atchison proper at Higgins near the Oklahoma-Texas State Line on the east and Texico on the New Mexico-Texas State line on the west. This portion of the line is somewhat comparable with the northern portion of the Gulf Lines as set forth by witness Cowley.

The service rendered, includes the picking up and setting out of traffic originating at or destined to all branch line or main line points on this railroad. In order to put this line in condition to haul this traffic in a safe and expeditious manner, large sums have been expended in reducing grades and curvature, ballasting track, laying heavier steel, constructing suitable bridges etc., the amount thus expended during the past five years aggregating approximately $3,400,000.00. This is all single track territory. Fuel oil to supply this territory is hauled an average of 335 miles—the maximum being 517 miles. There is a heavy wind velocity over this plains country which at times seriously [fol. 502] impedes the movement of trains; the velocity at times exceeding thirty miles per hour. Loss of engine and fuel efficiency naturally follows (Tr. 4720).

The territory drained by the Canadian River is particularly susceptible to washout troubles, traffic having suffered frequent interruptions. Repairs to bridges and track as a result have cost large sums. During the year 1923 the bridge across the Canadian River was washed out, obstructing traffic for a week or more on one occasion, and on another, the bridge was out of service for a period of ten days. Repairs to bridges and track on this occasion alone cost us approximately $185,000.00. This interruption and expense caused a thorough study to be made of the situation with the object in view of preventing, possible, similar occurrences in the future. As a result we recently completed the lengthening and strengthening of this structure at a cost of about a million and a half dollars. One who is familiar with this section of the country realizes that it is nearly impossible to tell whether the flood waters will follow the old river bed or cut a new channel on either side thereof, thus nullifying the precaution taken.

In order to efficiently and economically handle the traffic offering in this territory, engines of the 1,800 and 1,050 classes are used south of Amarillo and Texico, 1,800 class having a tractive power 40,300 pounds, with a weight on drivers of 174,300 pounds. The 1,050 class have a tractive power of 38,150 pounds, with a weight on drivers of 167,500 pounds. These engines are oil burners. There are several grades encountered in this territory of 1 per cent, thus limiting tonnage to 50 per cent of engine capacity between certain points (Tr. 4721).

[fol. 503] The traffic originating or terminating on the Panhandle and Santa Fe south of Amarillo and Texico, which constitutes the major portion of the P. & S. F., is either assembled at or distributed from Amarillo. Between this point and the Missouri River and east thereof this traffic is handled in through trains. Eastbound we have a helper district between Canadian and Coburn, a distance of eighteen miles. This traffic moves through Oklahoma and Kansas over a single track railway as far as Newton, Florence, or Ellinor with the usual operating difficulties surrounding the handling of heavy business over such track. The bulk of it is routed via Wellington and the Ellinor cutoff, which was constructed at a cost of several million dollars, thence through Ottawa Junction to Kansas City. Ellinor cutoff is in a northeasterly direction from Eldorado. We handle some traffic that way, but we handle it also via Mulvane, Augusta and Ellinor. Westbound there is the interchange point of the A. T. & S. F. with the G. C. and S. F. at South Shawnee and Purcell, bulk of the traffic being handled via South Shawnee over what was originally known as the Eastern Oklahoma, extending from Shawnee to Newkirk, a distance of 133 miles. This line was constructed at a cost of several million dollars to afford a low grade line as against the line through Guthrie and Purcell.

On the old line extending from Newkirk to Purcell, a distance of 141.5 miles, there are several 1 per cent grades both north and southbound on this stretch of track, thus very materially reducing the tonnage efficiency of locomotives and thereby increasing operating costs. As a matter of fact, engine ratings over this line are reduced about 40 per cent as against the low grade line.

In order to provide through freight service from both the territories north and south thereof to such important cities [fol. 504] as Oklahoma City, Guthrie and Ardmore it is necessary to run some of our through freight trains by way of the old line, operations over which naturally involve greater cost and are more burdensome. It being necessary to operate some of our trains over the old line, the inclusion therein of some of the traffic in question is economical and efficient from an operating standpoint for two reasons. First, in order to increase tonnage on trains going via the old route, and, second, by reason of securing expedited handling of the freight. Thus, as to a considerable quantity of freight which requires fast handling and which is available for movement in one of the trains going via the old route, it is more proper to handle that freight in such train and insure its early arrival at destination than to hold it to await a later train going via the new line, or run a light train via the new line in the event the freight is of a character that would permit no delay in its handling (Tr. 4723-4724).

The bulk of this Texas traffic moves via Arkansas City and Ellinor through Ottawa Junction to Kansas City. It will thus be seen from the map that we have constructed at various times in order to properly care for a constantly growing tonnage no less than three routes over which thus traffic to a certain extent has and is still being handled, namely: via Arkansas City, Winfield Junction and Newton, via El Dorado and Florence, and via El Dorado and Ellinor. On a large portion of this territory described, it is necessary to treat the water on account of alkaline conditions. The cost of water for locomotive purposes in the territory west of the Missouri River exceeds that east thereof to a very considerable extent and adds to operating expense.

It is probably needless to say that in the purchase of locomotives for System Line, due consideration is given [fol. 505] their assignment, that is to say, they are placed on the territory where they will produce the most efficient results, the heavier power being assigned to the heavier grade territory and the lighter to the plains and valleys. It is well known that the Santa Fe has been in the vanguard in equipping its line with up to date locomotives and cars. It has taken on great expense in equipping its engines with

all the latest devices which make for efficiency and economy, such as feed water heaters, stokers, superheaters, etc. The tractive effort of our engine as a whole has increased over 40 per cent during the past twelve years (Tr. 4724-4725).

It is well known that in the original construction of much of the mileage west of the Missouri River, capital was scarce and prospective traffic light. It was, therefore, necessary to economize in every conceivable way, otherwise sufficient capital could not have been secured with which to serve the territory. As a result, millions have been and are being spent every year in reducing grades, straightening curves, ballasting track and renewing with heavier rail, constructing heavier bridges, and longer sidings or passing track, purchasing up to date locomotives and cars, etc., all of this being necessary in order to give that service the public demands and bring about efficient and economical operation of the property. During the past five years there has been expended some $32,000,000.00 for straight additions and betterments on the line west of Kansas City and east of Albuquerque. As a result of these expenditures the average tonnage handled in freight trains is approximately 20 per cent greater than it was five years ago (Tr. 4725).

Witness Cowley called attention to the torrential rains along certain parts of the G. C. & S. F. Railway. The lines east of the Missouri River do not suffer from these heavy semi-tropical storms, the rains being steady, and generally [fol. 506] speaking, comparable one year with another. Rarely indeed do we suffer interruption to traffic on this account.

In so far as claim prevention work is concerned, the Santa Fe stands in the forefront. Ever since 1909 it has conducted a continuous campaign looking toward the better handling of freight and a reduction in the amount paid out for loss and damage thereto. The safety of the travelling public and that of our employees is our first consideration. Some of our officers devote all of their time to safety matters, while those charged with the responsibility of operating the property, give safety their first consideration.

Santa Fe equipment is second to none. Cars are thoroughly inspected and where defects exist, repairs are made

before allowing cars to be loaded or forwarded from junction points. Very material savings have been effected through our fuel organization and the conservation of fuel is being given constant attention at the hands of Fuel and Operating Department officials.

Our line east of the Missouri River, which is a double track line, is generally known as velocity territory, that is to say the grades are not of sufficient moment to materially affect either speed or tonnage. Water and fuel supply is particularly favorable. With the exception of switch engine helper service, a short distance, from A. T. Junction to 15th Street, Kansas City, eastbound, and from Chillicothe to Edelstein, westbound, a distance of eight miles, helper service is not regularly provided. Generally comparing our own line east and west of the Missouri River I would consider the lines east of the River easiest to operate (Tr. 4726-4727).

Exam. Disque: Is that confirmed Mr. Outlaw, by your operating expenses per ton mile or per mile or on some other unit?

Mr. Outlaw: It is.

[fol. 507] Mr. Tower: Do you expect to show that in the record?

Mr. Outlaw: I do not, Mr. Towner.

Cross-examination:

The traffic on the Panhandle and Santa Fe originating between Seagraves Junction and Kansas City moves over the direct line and traffic via the line east of Seagraves Junction to Sweetwater goes directly across. Traffic from Texas via the Gulf, Colorado and Santa Fe Line goes partly through Shawnee and partly through Purcell. The Shawnee line is the easiest line and in the absence of unusual conditions, the traffic would move over that line. But you have to serve that territory between as I explained in my former statement. You have to protect the traffic that originates or is destined to the territory between Purcell and Newkirk. My statement applies to the through traffic from Texas to points north of Kansas City. We serve that territory in part with through trains (Tr. 4727-4728).

We operate only one helper district west of Kansas City on the Panhandle and Santa Fe, and the Santa Fe, and that is at Canadian. We have two helper districts on our low grade line to Kansas City (Tr. 4728-4729).

The improvements made in the last few years are reflected in the profiles in exhibit A-100 and the profiles can be accepted as showing the present conditions. The profile on top designated Through Line is the one from Kansas City to Chicago. The next one from Purcell to Newton, Kansas. That is the remainder of the eastern lines. It is the other one headed Eastern Lines. There are three routes there, all shown on the profiles. One through Englewood Junction, Wichita to Newton, and the other is designated as Wellington to Oklahoma State Line. The line from Wellington is through Harper to Attica. The last profile is designated "Lines in Texas." That is just the Panhandle and Santa Fe. The blue prints cover our line from Kansas [fol. 508] City west to Newton (Tr. 4729-4730).

Q. In what blueprint do those appear?
Mr. Outlaw: In the second, Mr. Towner.
Q. I thought that was just to Newton.
A. Well there's two of them.

The Witness, continuing: We have some troubles on the eastern lines but we are not tied up like we are on our western lines. The point of distinction is that this western territory is of a tropical nature. The rain comes down in great volume and sweeps everything before it, whereas the territory east of the Missouri River they may have a heavy rainfall, but it will spread over such a length of time that no really bad track results follow. I suppose the Mississippi River north of St. Louis sometimes goes on a rampage. I am not familiar with the lines north of St. Louis. Our traffic was not tied up by the very severe sleet storm in Illinois a year ago last Christmas. Our wires were down and we had some trouble but our traffic was not materially delayed. Our experience proves that those things are not comparable to the damage inflicted by the rainfall west and south of Kansas City. I would not say whether or not the Santa Fe is more fortunately situated in that respect east of Kansas City than the other roads such as the Alton, Great Western, Milwaukee and Rock Island, because my

knowledge of the other lines is somewhat limited. Our line east of the Mississippi River is so stable that we rarely suffer interruptions.

[fol. 509] J. CANNON was thereupon called as a witness and testified as follows:

Direct examination:

I am General Manager of the Missouri Pacific Railroad and have been connected with those properties twenty one years. I have served in the capacities of Superintendent, General Superintendent, Assistant General Manager and General Manager, and am familiar with the present and past operating conditions over the lines of that carrier (Tr. 4733).

The Missouri Pacific operated mileage is 7,338, located in the States of Missouri, Kansas, Nebraska, Colorado, Illinois, Louisiana, Arkansas and Oklahoma, with additional second main track of 275 miles, of which 66 miles are in Missouri, 7 in Kansas, 10 in Nebraska, 92 in Illinois and 100 in Arkansas.

Of the total mileage operated 53.9 per cent is branch lines. In Louisiana, Arkansas, Oklahoma and Missouri, excluding the lines from St. Louis to Kansas City, the total mileage operated is 3,775, of which the branch line mileage is 49.6 per cent of the total miles. While these branch lines are necessary in serving certain communities and territories, it is a fact that the cost of operation and maintenance per ton of freight handled is considerably more than is the case with respect to main lines. The average gross tons per train mile is small, there not being a sufficient volume of traffic to obtain anything like a full train load. On a number of the light traffic branch lines the loaded cars handled in a train from the main line to the terminus of the branch will not average more than about eight cars a considerable portion of the time. While the outward movement is somewhat heavier, it is only about one-third to one-[fol. 510] fourth of the tonnage that can be hauled generally in a train on the main line. In a great many cases it is necessary to pay constructive mileage on the branch lines

to train and engine crews, i. e. 100 miles or eight hours per day, although the runs are considerably less, consequently the ton mile cost is higher. These conditions, with the large branch line mileage, naturally augment the cost of handling business on the system as a whole.

To illustrate to a certain extent the comparison of handling freight on a branch line and a main line, I have taken our light traffic White River Division, running from Carthage, Missouri to Newport, Arkansas, comprising 318.81 miles, all branch line, and our Central Division—400.49 miles—running from Little Rock, Arkansas, to Coffeyville, Kansas, consisting of 329 miles main line and only 71 miles of branches. Month of November, 1925, the average gross tons per freight train mile on the White River Division was 772, and on the Central Division 1,759, the latter exceeding the White River Division by 987 tons, or 128 per cent. The cost per 1,000 gross ton miles on the White River (branch line) Division is more than double the cost on the Central (main line) Division.

Certain portions of the territory traversed by our lines are more or less hilly, with numerous grades and curves, while there is also a considerable mileage through lowlands tributary to various rivers and streams subject to overflow, floods and washouts, with a large number of bridges and trestles, which necessitate heavy expenditure for maintenance and operation (Tr. 4734-4735).

Our main line from St. Louis to Texarkana crosses the Ozark Mountains, with maximum grade of 1.95 per cent. The line running from Little Rock through Northern Ar- [fol. 511] kansas via Van Buren and Coffeyville to Kansas City encounters very choppy grades ranging up to one per cent, while from Newport, Arkansas, via Carthage to Kansas City, the grades are heavier, being 1.25 per cent between Diaz and Batesville, 1.00 per cent between Cotter and Crane, 0.6 per cent between Crane and Carthage, 1.09 per cent between Carthage and Nevada, 1.32 per cent between Nevada and Pleasant Hill, and 1.34 per cent between Pleasant Hill and Kansas City. Our lines through Eastern Arkansas and Louisiana cross many streams, paralleling the Mississippi River from Memphis southward for a distance of 236 miles, and are subject to overflow during high water, which occurs periodically, and at times of highest flood has

resulted in from 100 to 200 miles of track being inundated or isolated, with many washouts, causing heavy expense for repairs and upkeep. The lines thru Oklahoma and Central Kansas parallel the Arkansas River from Fort Gibson, Okla., to Pine Bluff, Ark., a distance of 276 miles, while the line from Carthage to Newport, 271 miles, parallels the White River from Branson, Missouri, southward a distance of 191 miles, and during times of high water there are floods and washouts (Tr. 4736).

Precipitation in the States of Arkansas and Louisiana is quite heavy. For a period of twelve years the average annual precipitation in Arkansas was 49.66 inches, Louisiana 58.38 inches, compared with Illinois 36.93 inches, or 58 per cent greater in Louisiana than Illinois and 34 per cent greater in Arkansas. The heavy rainfall with floods and washouts adversely affects operating costs. Our expense for washouts, flood restoration and river bank protection from 1912 to 1924 amounted to: Flood Damage, $3,249,-259.00; River Bank Protection, $2,269,000.00; total $5,518,-259.00. The years of largest expenditure were: Floor Damage, 1912 $439,109.00, 1913 $283,891.00, 1915 $455,-066.00, 1916 $688,038.00, 1922 $403,081.00, 1923 $330,546.00; River Bank Protection, 1912 $65,000.00, 1915 $90,000.00, [fol. 512] 1915 $195,000.00, 1916 $259,000.00, 1922 $175,-000.00, 1923 $235,000.00.

There are 7,774 bridges and trestles, totalling 706,470 feet, or 134 miles, on the lines we maintain. We have nine bridges over the Arkansas River, the largest a steel span bridge near Fort Smith, Arkansas, totalling 2,338 feet; two steel span bridges over that River at Little Rock, one totalling 1,260 feet and the other 954 feet; and Bridge 87 at Watson, Arkansas, over the Arkansas River totals 1,248 feet. Some of the other steel bridges of considerable length are—Number 31 over the Osage River 1,165 feet and Number 178 over the White River near Cotter, Arkansas, 1,085 feet.

Some of the longest trestles are: No. 83, north approach White River Bridge near Mozart, Arkansas, Main Line, 6,486 feet, while south approach is 3,767 feet. Trestle No. 85 on this same line, 3,543 feet. Trestle approach Bridge 87, Medina, Arkansas, 2,706 feet. Trestle No. 1061, Fiske, Southeastern Missouri 2,599 feet. Trestle No. 223, near

Corning, Arkansas, 2,448 feet. The expense for repairs and upkeep of these structures is considerably greater than for regular roadway. Our regular maintenance charges for bridges, trestles and culverts for four years, 1921 to 1924, totaled $100,000.00 (Tr. 4736-4737-4738).

Another factor that augments our cost of transporting business is the unbalanced traffic, being considerably heavier northbound from the States of Louisiana, Arkansas and Missouri through the gateways of Thebes, Dupo and St. Louis than in the reverse direction, at times being unbalanced to the extent of approximately 60 per cent north compared with 40 per cent south. This condition is brought about by our lines and southwestern connections [fol. 513] extending through a producing territory. The class of traffic moving northbound consists principally of lumber, lumber products, livestock, cotton, fruits and vegetables and other perishables, etc. These commodities generally are delivered to connections in carload lots while a certain volume of the traffic in the reverse direction coming from connections through St. Louis for movement southward is merchandise, manufactured articles, etc., a portion of which requires freight house handling and distribution to various cities and towns in small lots, which adds considerable to the cost per ton for handling.

This unbalanced traffic causes large empty car movement from our northern lines, chiefly through St. Louis and Kansas City, which are the principal points for distribution of empty equipment, to our southern lines, to protect car supply in that territory to meet the demands for outbound shipments. It is necessary at times, to take care of loading, to haul empties in train lots southward for a distance of 500 miles or more, and then distribute to the various points for loading, which results in higher unti cost per ton.

Another burdensome condition with which the railroads have to content, and augments the cost of handling business in Arkansas, is the so-called "Full Crew" Law in that State that has been in effect since 1909, requiring an extra or third brakeman on all through freight trains and an additional helper, or switchman, on switch crews in various terminals. The extra man on a through train is equal to an increase of 16 per cent in the wages of through freight

crews handling traffic in that State, while the additional helper on switch crews is equal to a wage increase of 19.5 per cent per crew. There is no other state that I am aware of where the laws are as drastic in this respect as in Arkansas and no laws of this kind with which the railroads are confronted in the States of Illinois, Iowa, Minnesota, Michigan and Wisconsin. The Arkansas Law is a Legislative [fol. 514] Act, and although efforts have been made to secure relief therefrom, and are still being made, the railroads have not succeeded in securing relief (Tr. 4738-4739).

The property of the present Missouri Pacific Railroad Company was acquired at foreclosure sale June 1, 1917. Since that date to November 30, 1925, the charges to Road and Equipment for additions and betterments have amounted to $89,788,694.00. The large expenditures made for improvements and additions were chiefly for the purpose of effecting more economical operations, to help to handle an increasing volume of business, and provide satisfactory service. The expenditures for new equipment, including 287 locomotives and 9,895 new freight cars, and the rebuilding of locomotives and freight cars and improvements to existing equipment amounted to approximately $53,900,000.00.

Expenditures for improvement of shops and engine houses, power plants and shop machinery amounted to over $5,000,000.00. Other principal roadway expenditures were for signals and interlockers $1,160,000.00; ballast $1,302,000.00; water stations (including treating plants) $1,621,000.00; fuel stations $826,000.00; new and stronger bridges, trestles and culverts $4,407,000.00; additional tracks, grading and increased yard facilities, heavier rail, etc., $14,554,000.00. Passing, siding and spur tracks were constructed totalling 292 miles (Tr. 4739-4740).

Following are some of the principal individual items completed and under way during the past two years: Installation of automatic train control in compliance with order of the I. C. C. on one district, Kansas City to Osawatomie, approximately 60 miles, cost $255,000.00; new yard tracks, Little Rock, $100,000.00; River protection, Arkansas River, Yoncapin, Arkansas, $135,000.00; reconstruct Bridge 87, [fol. 515] Arkansas River, Kragen, Arkansas, $300,000.00; rebuild Bridge 221 on new alignment, Piney, Arkansas,

$100,000.00; replace two truss spans, Bridge 111, Fort Gibson, Okla., $194,000.00; strengthening bridge 18, New Augusta, Arkansas, $100,000.00; bank restoration and ballast, Bardell to Gilbert, Louisiana, $256,300.00 (Tr. 4741). New Enginehouse, Bush, Illinois, $115,200.00; new enginehouse, St. Louis, Missouri, $151,000.00; new engine house, Osawatomie, $107,000.00; eleven miles second main and passing tracks Little Rock and Benton, Arkansas, $793,000.00; automatic block signals, Poplar Bluff, Missouri to Clear Lake Junction, Arkansas, $890,000.00. The bank restoration and ballast from Bardel to Gilbert, Louisiana, was necessary for strengthening the line to carry the traffic (Tr. 4740-4741).

Additional large sums are required as funds may be obtained to carry on this important improvement work. With the acquisition of new and heavier engines, the tractive effort per locomotive has been increased from 28,319 pounds in 1912 to 38,756 pounds in 1925, or 37 per cent. Our principal heavy engines are now equipped with superheaters, brick arches, automatic stokers, fire doors, etc., and other modern improvements, which tend to help reduce cost. As indicating the advancement made toward economical operation over a period of years, represented by greater train load, there is cited the fact that our average gross tons per freight train mile has increased from 969 tons in 1913 to 1,188 in 1916; 1,258 in 1917; 1,289 in 1921; 1,469 in 1924 and 1,565 in 1925, or an increase over the year 1913 of 596 tons or 61.5 per cent. In 1925 our gross ton miles (in thousands) were 25,760,805, an increase over 1913 of 11,029,074, or 74.9 per cent, while our train miles in 1925 were 16,477,159, an increase over 1913 of 2,279,605 or 16.1 per cent. In other words, we handled an increase in gross ton miles of [fol. 516] 74.9 per cent with an increase of only 16.1 per cent in freight train miles, attributed to the greater train load. To handle the 1925 volume of business with the average train load in 1913 would have required 26,584,938 train miles, or 10,107,779 more train miles than were made in 1925. The greater increases have been chiefly on main lines where heavier traffic density exists than on branch lines where the opportunity for increasing train load and economical operation is less by reason of a substantially less volume of business moving per mile of road (Tr. 4741-4742).

Another factor indicating progress and economy, is the average miles per car per day, increasing from 23.3 in 1921 to 33.02 in 1924 and 37.22 in 1925; the ton miles per car per day showing corresponding favorable increase. Considerable progress has been made in effecting economies in the way of saving fuel by reducing consumption. We have a General Fuel Committee, with local committees on each division, which latter consist of Superintendent, Trainmaster, Master Mechanic, Engineer, Road Foreman of Engines, Roadmaster and a Conductor. Also a Superintendent Fuel Conservation and an Assistant, who are continually going over the line talking fuel economy, the object being to get all employees concerned, including division officers, engineers, conductors, trainment, roundhouse men and all interested in fuel economy. Fuel board is posted at each terminal showing unit consumption for each class of service, and monthly bulletin issued to all employees showing progress made. The average pounds of coal consumed per thousand gross ton miles in freight service, year 1914, was 185 pounds; in 1924 164 pounds; and in 1925, 152 pounds.

This same method is followed with respect to safety-first [fol. 517] work, having Superintendent of Safety in charge and safety committees on each division. In order to reach, by word of mouth, all our employes, there being a great many who do not have the opportunity of attending monthly staff meetings, safety drives are made by committees going over the line and personally talking to all employes in each class of service and others upon the subject of safety, outlining to them their duties to themselves and their fellow-workers (Tr. 4742-4743).

We also have a Loss and Damage Freight Claim Prevention organization, in charge of Superintendent Claim Prevention, with local committees, constantly striving to avoid loss and damage to shipments and thereby reduce this item of expense. We have in use a number of impact recorders to locate and place cause of damage and help in correcting irregularities. To indicate the progress made, our ratio of loss and damage freight claim expense to freight revenue in 1921 was 2.54; in 1923, 2.38; in 1924, 1.03; and in 1925, 1.01.

The economies such as mentioned above have been helpful in reducing operating costs, constantly conserving revenues accordingly. Our transportation ratio, i. e. total

transportation expense to gross revenue has been reduced from 41.29 in 1921, 41.25 in 1922, 39.35 in 1923 and 37.79 in 1924, to 36.92 in 1925 (Tr. 4744).

Attorney Larimore thereupon offered in evidence certain profiles of the Missouri Pacific Railroad as Exhibits A-101, A-102, and A-103 (Tr. 4744).

(The said profiles were received in evidence as Exhibits A-101, A-102, and A-103.)

[fol. 518] Cross-examination:

The main line of the Missouri Pacific system is as follows: Starting in at Texarkana, Arkansas, up to Little Rock, thence into St. Louis on the west side of river is main line. Branching off at Poplar Bluff, going to Dexter Junction, Missouri, trackage over the Cotton Belt to Ilmo, over Thebes Bridge into Dupo is main line; also main line from Texas Junction with trackage over the Cotton Belt to Paragould. Texas Junction is opposite Poplar Bluff. From Paragould then down to Clayton, Louisiana. That is next the river. We also use from Little Rock to Alexandria, Louisiana, main line, there are two main lines down there. The through traffic goes through Monroe, Alexandria. From Kansas City to Little Rock down to Coffeyville is main line and up to Omaha is main line; also Pueblo is main line. Everything which I have not named in that territory is branch line mileage except from Kansas City to St. Louis. Both the lines between Kansas City and St. Louis are main lines. The one next to the river is the freight line and the one through Sedalia is the passenger line. Also we run stock trains and pick-up freight trains. The profile of all these lines is shown on Exhibits A-101 and A-102 (Tr. 4745-4746).

On every railroad the branch line costs of operation are always greater than the main line costs. We referred to it because we are unfortunate in having so many branch lines. I attach importance to the fact that our empty car movement is heavy. That is on the line between Dupo and St. Louis and the south and between Kansas City and St. Louis. I think that empty car movement on any railroad is an item of cost that ought to be given considerable consideration. Where their traffic is unbalanced it runs the cost up (Tr. 4746-4747).

On Exhibit A-101 I have shown our grade in per cent instead of rise and fall in feet per mile; 1 per cent, 1.25 per [fol. 519] cent and so forth. Referring to the blueprint which reads, "From Virginia to Kansas City, Kansas" (Exhibit A-101), the figures below the bottom line of the profile represent the distance in miles from Kansas City and the percentages shown on the grade line are grade percentages. The only way of telling how long these designated grades are is by computing it from the mileages as shown on the bottom. They are shown approximately correct from this choppy line up there, drawn to scale. The grade line, such as shown from Kansas City, is a rather difficult line to operate in some instances, particularly where the grade is as steep as this grade. My explanation of the marking with respect to the profile referred to applies to all the profiles that are contained in Exhibit- A-101 and A-102 (Tr. 4747-4748-4749).

W. G. CHOATE was thereupon called as a witness and testified as follows:

Direct examination:

I am General Manager of the Gulf Coast Lines. I have with me Mr. Schwimm, the Assistant Chief Engineer of the Gulf Coast Lines and the International and Great Northern. I am not familiar with the International Great Northern and Mr. Schwimm will answer for the physical property of that road. He was formerly Chief Engineer of the International Great Northern and became Assistant Chief Engineer of both properties when the managements were put together about the first of 1925. The statement which I shall make is the result of the collaboration between the operating departments of the International Great Northern and the Gulf Coast Lines (Tr. 4749-4750).

The Gulf Coast Lines run from Brownsville to New Orleans and the International Great Northern from Houston [fol. 520] to Ft. Worth, Waco and Laredo, with a line from Longview to San Antonio to Laredo and a line from Houston to Palestine. The Gulf Coast Lines on the whole averages about forty or fifty miles from the coast to the Gulf

of Mexico. Since 1916 and up to 1924 the Gulf Coast Lines have been operated as an independent property. In the latter part of 1924 the Gulf Coast Lines acquired control of the International-Great Northern Railroad and shortly after the Missouri Pacific acquired control of the Gulf Coast Lines.

The Gulf Coast Lines and the I. G. N. combined, the following is submitted as indicating the situation on these lines: 1st, Development of this territory and increased maintenance and improvement charges: With the development a increased production in our territory, there has been a corresponding increase in the amount of traffic moving over our lines in recent years. During the season 1924-1925 the Gulf Coast Lines handled 12,541 cars of vegetables out of the Rio Grande Valley compared with 3,462 cars in the season 1922-1923 and 1,003 cars in the season 1917-1918. As regards vegetables we are handling a class of long haul traffic which requires the highest degree of expedited service and to properly handle the prospective increase in this traffic we need a very substantial physical plant, roadbed and equipment. On the I. G. N. we started in 1923 on a program of laying new 90 pound rail, completing 100 miles in 1923, 55 miles in 1924, 100 miles in 1925, and we have 100 miles included in our 1926 program. On the Gulf Coast Lines we have been carrying on a rail renewal program since 1920, laying 35 to 40 miles of 85 pound rail each year up to and including 1925 and our program for 1926 calls for 75 miles of 90 pound rail. This work is being undertaken in order to meet the growing needs of the territory we serve, to take care of the volume and [fol. 521] character of traffic, and to place our lines on the basis of a high speed railroad for freight as well as passenger traffic. We need larger locomotives, heavier rail, adequate ballast and ties, double tracking and later on modern station buildings and terminal layouts. In the next decade at least, due to the increasing rapidity with which our territory is developed, the maintenance requirements of our roads and our expenditures for improvements, and the interest charge thereon, will be considerably higher than they have been in the past and such expenditures will bear a higher ratio to our earnings than is the case with

older roads who already possess physical plant, roadway and equipment, which is accepted by American railroading at the present day as standard. The cost of these undertakings, of course, will react to the carrier's benefit eventually and help it achieve certain additional economies of operation but the one will not offset the other, at least for a long time, and such savings as can be made will not be realized immediately, and the fact remains that we will have an added burden on our future, in comparison with our past operations (Tr. 4750-4751 4752).

Another thing which our roads and other Southwestern roads burning oil for fuel have been confronted with recently is the heavy increase in price of oil. During the year 1925 the cost of fuel oil charged to Transportation Expenses on the I. G. N. and Gulf Coast Lines combined amounted to $2,652,066.00. This figure is $500,245,00 or 24 per cent higher than in 1924 due to increased price of fuel alone. Our railroads, for some months past, have been unable to make favorable fuel contracts and there is no prospect of this situation being changed for some time to come. Roads in Southwestern territory have for years [fol. 522] burned oil as being the cheapest fuel available, but we are coming to a point where, if fuel oil prices show no tendency to go back to their former level, serious consideration must be given to converting our locomotives to coal and building expensive facilities for handling coal. This would also involve carrying a larger fuel stock, because we would be so far removed from the source of coal supply and we would have to protect our needs in this way against coal strikes. This would mean a duplication of facilities and the keeping up of both a coal supply and an oil supply because we will probably have to use oil on the passenger engines. I think the public will demand that. Our 1925 operations for both roads were burdened with an increased cost in the way of increased rates of pay, amounting to $116,600.00, same representing increases authorized by the Labor Board (Tr. 4752-4753).

Considering the lines as a whole, that is, the Gulf Coast Lines and International-Great Northern Railroad, we have a line that must meet practically every conceivable difficulty tending to the aggravation of the work of maintenance.

The Gulf Coast Lines crosses practically every important river in Louisiana with the exception of the Red River, while the International-Great Northern crosses every important river in Texas with the exception of the Pecos River and, of course, the Rio Grande and Red Rivers which are on the border lines of Texas. Due to this fact these lines are subjected to damage and interference with traffic during seasons of flood. Such damage and interruption is encountered on the New Orleans, Texas and Mexico whenever the Mississippi and Atchafalaya Rivers are up or out of banks or as a result of crevasses in the levee protection along these rivers. At times interference of this nature causes very heavy damage through the softening of em- [fol. 523] bankments and washing out of tracks and bridges. Similar difficulties are experienced where the Gulf Coast Lines crosses the Brazos River and where the International-Great Northern both crosses the Brazos River and traverses the Brazos River Valley. Again, we have had to contend with exceptional damage due to the overflowing of the Rio Grande, this affecting us particularly in Cameron and Hidalgo Counties. Similar conditions are frequently encountered through the central section of the state between Waco and Ft. Worth. Some of these interruptions are only passing in nature and are overcome in the course of a couple of days while others last several weeks, not only in their direct results but in the continuing necessity of slow operation of trains due to the softened condition of track and roadbed (Tr. 4753-4754).

Much of the line of the Gulf Coast Lines lies in what is called the "Gulf Coastal Territory," where the rainfall is heavy and it is difficult to maintain tracks for high or even normal operating speeds. Such excessive rainfall makes necessary heavy expense in maintaining line and surface of main tracks. The annual rainfall in this territory is about 50 inches in Texas and in Louisiana about fifty-eight inches. Throughout this same Gulf Coastal Territory extraordinary expense is met in the renewals of rails and metal fastenings, spikes, bolts, etc., due to the excessive amount of corrosion present. Over the entire line with the exception of that portion of the Gulf Coast Lines between Kingsville and Raymondville, climatic conditions are such as to foster

a very heavy and rapid growth of weeds and grass. This item in itself necessitates very heavy expenditure in cutting grass and weeds on right of way and cleaning the ballast. On account of the physical location of these lines crossing such a large amount of drainage there is a total of 22.9 miles of bridges and trestles necessary on the Gulf Coast Lines to provide for the passage of drainage. This [fol. 524] item necessitates exceptionally heavy annual charges for maintenance and renewals (Tr. 4755).

There are about 24.3 miles of bridges and trestles on the International-Great Northern. I thought I would let Mr. Schwimm bring that out. While these lines must frequently meet very heavy and continused rainfall, there are also seasons of extended drought which result in particularly aggravated and heavy damage to tracks through the cracking of the embankments. These conditions are not localized to a few short sections but are more or less to be found over practically the entire line from Brownsville to Anchorage. These conditions require a great deal of resurfacing and the application of large amounts of additional ballast. In addition to the local conditions to be met and overcome, the Gulf Coast Lines are particularly subject to damage from tropical storms resulting in heavy damage to such points as are in the path of the hurricane.

During the past years we have had at least seven or eight of these storms of more or less damaging extent. The one at Corpus Christi was particularly expensive. Texas in recent years have shown a steady increase. On the I.-G. N. and Gulf Coast Lines combined during the five years ended December 31, 1923, the average railway tax accruals was $880,869.00 per annum, which was a ratio of 3.19 to Total Operating Revenue. During the year 1924 our two lines paid $1,282,226.00, a ratio of 4.12 to total operating revenue and in the year 1925 we paid $1,263,689.00, which is a ratio of 3.97 to total operating revenue. In other words, on a ratio basis, this increased tax burden in 1924 was $289,723.00 and in 1925 $248,060.00 in comparison with the five year period ended December 31, 1925 (Tr. 4756).

It is a matter of common knowledge that some part of [fol. 525] the increase in our taxes is due to the railroads being compelled to participate in the cost of building highways paralleling our roads, burdening the railroads two

ways, first in increasing our taxes and second in reducing our passenger train earnings. Our local business in the Valley has dropepd off about 55 per cent. Up until this time, every road that has been built has been parallel with the Brownsville Railroad. A further handicap we are confronted with in our present day operation is the heavy falling off in passenger train revenue with no opportunity to offset this decrease by reducing our passenger train expenses accordingly. During the year 1925 the I.-G. N. shows a decrease of $323,776.00 in passenger train revenue compared with the year 1924 and a decrease of $830,934.00 compared with the average of five years ended December 31, 1923. Substantially all these decreases were on our local passenger business. On the Gulf Coast Lines total passenger revenue for 1925 was $50,361.00 less than the earnings in 1924 and $387,211.00 less than the average annual earnings of the five year period ended December 31, 1923. This heavy decrease in passenger earnings is practically all due to private automobile travel and bus line competition, especially on the part of the farmer and the traveling salesman. We also have confronting us the general office statutes. An unusual burden is imposed on lines in our territory by the General Office Statutes of Texas and Louisiana which compel us to maintain separate corporate and departmental organizations in various communities entailing large expenditures which could easily be eliminated if the railroads were given a free hand to make whatever changes they saw fit (Tr. 4757-4758).

I am submitting a condensed profile of the Gulf Coast Lines and the International-Great Northern and a state-[fol. 526] ment showing the physical characteristics and the power situation (Tr. 4758).

The condensed profile of the Gulf Coast Lines was thereupon offered in evidence as Exhibit A-104 and the condesned profile of the I.-G. N. as Exhibit A-105, and the statement showing physical characteristics was offered in evidence as Exhibit A-106.

(Exhibits A-104, A-105, and A-106 were received in evidence.)

I have a statement showing the increase in the tractive power of locomotives (Tr. 4759).

The statement referred to was thereupon offered in evidence as Exhibit A-107.

(Exhibit A-107 was received in evidence.)

I have another exhibit of freight train performance ratio which I ask to have introduced (Tr. 4759).

(Exhibit A-108 was received in evidence.)

[fol. 527] The factor best measuring efficiency of freight train operation is gross ton miles per train hour. Both the I.-G. N. and Gulf Coast Lines show a steady improvement in this factor year by year. During the year 1925 gross ton miles per train hour on the Gulf Coast Lines was 20,029, an increase of 39.01 or 24 per cent compared with the year 1921. On the I.-G. N. average gross ton miles per train hour for the year 1925 was 17,907, an increase of 4,362 or 32 per cent, compared with the year 1921. As indicating better utilization of freight cars it may be stated that for the year 1925 the Gulf Coast Lines average miles per car per day was 38.0 compared with 23.2 in the year 1921, an increase of 68 per cent. On the I.-G. N. average miles per car per day in the year 1925 was 27.0, an increase of 4.9 compared with the year 1921 or 22.1 per cent. We show a steady improvement in the utilization of motive power. On the Gulf Coast Lines average miles per locomotive day in freight service increased from 53.6 in 1921 to 70.4 in 1925, and in passenger service from 120.9 to 165.5 in the same period. On the I.-G. N. average miles per locomotive day in freight service increased from 69.9 in 1921 to 79.9 in 1925, while in passenger service we show a slight decrease from 115.1 in 1921 to 111.3 in 1925 (Tr. 4759-4760).

Marked improvement is noted in our fuel performance, Gulf Coast Lines pounds of coal (oil equated to coal on basis 4 barrels to one ton) per thousand gross ton miles in 1925 was 102 compared with 108 in 1924 and 124 in 1921. On the I.-G. N. pounds of coal per thousand gross ton miles in 1925 was 115 compared with 122 in 1924 and 158 in 1921. We also show improved fuel performance in other classes of service. The savings accomplished due to decreased unit consumption of fuel, all classes of service, for our two lines [fol. 528] combined, for the year 1925, compared with 1924, amounted to $107,377.00.

We have a Fuel Superintendent and the Division fuel force, we have our road foreman of engines and a superintendent of fuel who are constantly employed in this work and keeping it before the individual men. In addition to that we keep the individual fuel performance of each engine with the engineer and the engineer's record. We are spending a lot of money in that department to save as much money as we can (Tr. 4760-4761).

In our safety first work we are actively engaged in a vigorous campaign, having as its object the rousing of interest among the rank and file in safety first work. We are doing this through the channels of local safety first committees with regular monthly meetings and by the continual reiteration of safety first principles through the medium of literature on the subject and talks by officials. The railroads are trying to eliminate every possible condition that might be dangerous to life and limb. Expenditures by our railroads, in the way of personal injury payments, run into hundreds of thousand of dollars and a vast saving is possible through the proper education of employes and the proper observance of safety first rules by employes. Texas is as bad as can be for high verdicts in personal injury cases. We are making progress in reducing the number of casualties on our roads. The casualty rate of employes on duty per million man hours on the Gulf Coast Lines in the first 11 months 1925 was 40.84 compared with 47.47 in the same period of 1924. On the I. G. N. the same factor shows a reduction from 42.75 to 35.67 in the same period. The casualty rate per million locomotive miles for train and train service accidents for the first 11 months of 1925 on G. C. L. was 44.92 and I. G. N. 41.12, a [fol. 529] reduction of 4.75 and 12.02 respectively compared with the same period previous year. Although we are making some headway in the reduction of personal injury claims our payments for casualty claims do not show any material decrease, this for the reason that year by year there seems to be a tendency on the part of juries to saddle on the railroads settlements which are entirely unreasonable and not at all justified by the evidence (Tr. 4761-4762).

Another great waste in railroad operation is Loss and Damage to freight. This matter is receiving our constant attention and we have been able to show a continued re-

duction in this expense for several years past. The ratio of Loss and Damage Freight payments to total freight revenue on the I. G. N. and G. C. L. combined in the year 1925 was .668 which is a very favorable showing compared with other railroads, especially when we consider the great volume of perishable traffic. At that, though, this expense is entirely unproductive and by intensified effort may be still further reduced.

Something might also be said with reference to the efforts we are putting forth to help develop and improve agriculture on our line. We have had for some years past, and contemplate the continuance of, a staff of expert assistants, whose duties include the education of farming communities in the best methods of raising their crops and as to what crops are best adapted to certain territories. While this work is a benefit to farmers, it also reacts to the benefit of the railroad. This work is mentioned here as indicating another step we have taken to raise the standard of service on our properties to place them on a parity with older established roads where they have always given this service. This expense is essential to the development of the territory served and the consequent increase of [fol. 530] traffic (Tr. 4762-4763).

The roads in the central west and northwest serve a territory which, generally speaking, is already pretty well developed. The territory served by the Southwestern Lines, particularly those in Texas, Louisiana, Arkansas and Oklahoma is still largely virgin from the point of view of the possibilities of production and consumption. This Southwestern territory has gone through the initial period of development and the traffic in and through it, and the public demands for transportation facilities are growing by leaps and bounds. New lines will have to be built to serve large portions of the territory that have no railroad facilities at all. At this time these will probably have to be built or financed by existing trunk lines on account of the extreme difficulty, if not the impossibility, of financing an independent railroad venture of any magnitude. Terminals must be greatly enlarged and substantial new terminals constructed, such as classification yards. These must be built for the future, and must be of substantially greater

capacity than is required by the business of today or tomorrow, or we shall find ourselves 5 or 10 years from now without ample terminals designed for efficient and economical operation. It should be noted in this connection that terminals of this kind are largely non-productive. They produce no new business. They are merely instrumentalities for the better handling of the business originating elsewhere.

These improvements cannot be provided for out of earnings. Under the Transportation Act the I. C. C. has no discretion to allow a return of more than one half of one per cent to provide for betterments and this is wholly inadequate for our purposes. This means that we must secure new capital by the sale of securities. Obviously these securities cannot be sold unless the earnings of the south-[fol. 531] western roads are sufficiently high to attract it (Tr. 4763-4764).

The vegetable traffic out of the Rio Grande Valley is a seasonable movement. It begins in the latter part of November in a small way and steadily increases until we get to the peak about April. It is necessary for us to keep at all times about a thousand cars on our lines to take care of our vegetable movement. Even today, some days we have twenty cars out there. Tomorrow we may have 75. For instance day before yesterday we had on Tuesday, well that was yesterday, we had 21 cars. Today we have got 79 cars coming out of the valley and that makes it absolutely necessary that we get together a large amount or a large number rather of refrigerators and take them to the valley and hold them for this business. The movement of those refrigerator cars down to the Valley is entirely an empty movement (Tr. 4764-4765).

Cross-examination:

About 70 per cent of this vegetable traffic goes through the St. Louis gateway and finds its destination largely at Chicago. It is gradually increasing to the east. I should say probably 20 per cent of it goes east. The percentage going east from St. Louis is increasing (Tr. 4765).

The lines included as a part of the Gulf Coast Lines are the New Orleans, Texas ans Mexico, the parent company

that runs from Anchorage to De Quincy. Included with the New Orleans, Texas and Mexico is the Beaumont, Sour Lake and Western. That is the line between Beaumont and Houston which connects with the Kansas City Southern, over which we have a trackage agreement. There is also the St. Louis, Brownsville and Mexico. There has been a consolidation of those three lines with the International-[fol. 532] Great Northern. The Orange and Northwestern and the New Iberia and Northern are also a part of the Gulf Coast Lines. That comprises the list of all the carriers in that system (Tr. 4766).

I think the Gulf Coast Lines have used oil as fuel for their locomotives practically always. When the Frisco operated the Gulf Coast Lines for a time operated coal engines but they were changed as fast as they could change them. We have never had a crisis with respect to our oil prior to now. This is the most serious condition we have ever had. We are paying all sorts of prices for our oil now. We haven't a contract at this time. It is costing us about $1.55 per barrel with the transportation added. We have not been able to get a contract. We have gotten bids and have had men out to secure oil for us. We have declined contracts because of the price. I think the lowest contract price we have had offered is in the neighborhood of $1.60 if I remember correctly. We have been buying spot oil wherever we could get it, and wherever we could get it cheaper. I can't say that I anticipate lower prices. We have gotten to the point now where we have almost got to go back to coal if we have to pay in excess of the $1.55. I suppose we would get our coal in Arkansas. We are trying now some experiments on the L.-G. N. now. We are trying to burn lignite. We have got a couple of engines equipped and it really looks as though we might do something with it. We have not got to the point yet where we know whether it would be cheaper to have our coal hauled from Arkansas and Oklahoma to the coast. We have assurances from the oil companies that there isn't any possibility of the price of oil going lower; that it is going higher. I cannot say that there is any assurance that the Gulf Coast Lines are going to change to coal. I merely said we are making a very careful

investigation of it and the time is now here when the price of oil is almost going to make it compulsory except for [fol. 533] passenger engines. This situation with regard to oil has been going on for the last year or year and a half—since back in 1924 possibly (Tr. 4766-4767-4768-4769).

The development of Texas has been pretty rapid in the last few years. It is increasing all the time. There is indication of its being a very large producer of traffic before it is finished. It is going along steadily. I think that it is going to continue (Tr. 4769).

F. S. SCHWIMM was thereupon called as a witness and testified as follows:

Direct examination:

I am Assistant Chief Engineer of the Gulf Coast Lines-International-Great Northern Railroad. I have been connected with the International-Great Northern for nine years in the Engineering Maintenance and Construction Departments. I have prepared some testimony in connection with the cost of maintenance of way and structures in the *w*outhwest as compared with other regions (Tr. 4771).

During the past year as sub-committee chairman of the American Railway Engineering Association's committee on the public economics of railway matters, I was engaged in making a study of maintenance expense as compared with miles of line maintained and operated and as compared with traffic density for the purpose of establishing units of measure of work performed. In connection with this study I received returns from 41 carriers representing 120,205 miles of operated lines, these returns being furnished by the chief engineers or the responsible maintenance officers of the carriers replying to my questionnaire. Included in these returns was information covering the amount of mileage maintained and its description, the amount of traffic handled over the line, the maximum speed, passenger and freight train, as well as the charges to main- [fol. 534] tenance account for way and structure for the years 1923 and 1924. In analyzing these charges I elimi-

nated the extraordinary maintenance items due to such expenses as were the result of out of face renewal of magnitude and extraordinary causes, such as abandonment of line, line changes, terminal rearrangements, and other large construction jobs, flood damage, large fire losses and so forth, resulting in operating charges not of an ordinary maintenance character. The results of my studies which covered 22,359 miles in the northwestern region, 46,200 in the central western region, and 6,728 miles in the southwestern region of Class A roads, as well as 4,377 miles in the Northwestern region, 5,156 miles in the central western region, and 3,483 miles in the southwestern region of Class B roads were as follows: The ordinary maintenance of way cost per equated mile of property maintained for Class A railroads per year for the years 1923 and 1924 was: northwestern region $1,727.00; central western region $2,026.00; southwestern region $2,286.00. The maintenance of way cost per mile of line during same period on Class B roads was: northwestern region $1,242.00; central western region $1,679.00; southwestern region $1,986.00 (Tr. 4771-4772-4773).

From the foregoing figures it will be readily seen that the ordinary maintenance costs encountered by the carriers in the southwestern region are considerably greater when based upon equated miles maintained and operated than is the case of carriers located in the central western and northwestern regions. I made further study of maintenance of way costs as reflected when considering car miles handled per mile of line operated, the maintenance of way costs per 1,000 car miles per mile of line during the years 1923 and 1924 were: Class A railroads, northwestern re-
[fol. 535] gion $28.00; Class B railroads, northwestern region $28.00; average northwestern region $28.00. Class A railroads, central western region $29.00; Class B railroads central western region $39.00; average central western region $34.00. Class A railroads southwestern region $35.00; Class B railroads southwestern region $35.00; average southwestern region $35.00. Again we find the maintenance of way costs covering all charges other than of an extraordinary nature were heavier on the basis of volume of traffic handled in the southwestern region than they were in either

the central western or northwestern regions. I made further analysis of charges for operating account, an example of which is found in Account No. 212, which includes the cost of tie renewals. The cost of tie renewals per equated mile operated and maintained is given below: Class A railroads northwestern region $250.00; Class B railroads northwestern region $319.00. Class A railroads central western region $262.00; Class B railroads central western region $336.00; Class A railroads central western region $507.00; Class B railroads southwestern region $410.00 (Tr. 4773-4774).

The foregoing tabulations clearly indicate that the costs per year per equated mile maintained and operated were higher in the southwestern region than in the two other regions. These same costs when considered on the basis of traffic volume or per one thousand car miles per mile of line operated indicated the same differences and were as follows: Class A railroads northwestern region 41¢; Class B railroads northwestern region 71¢. Class A railroads central western region 37¢; Class B railroads central western region 79¢. Class A railroads southwestern region 78¢; Class B railroads southwestern region 73¢. In only one comparison is it found that the tie renewals were less on the southwestern lines and that was in the case of Class B rail- [fol. 536] roads, which were found to be less than the Class B railroads in central western territory although they were higher than Class B railroads in northwestern territory. In explanation of the classification of railroads used I wish to say that I adopted the same classification as is printed in the 1921 manual of the American Railway Engineering Association, which is briefly as follows: Class A includes all districts of railway having more than one main track or those districts of a railway having a single main track with a track that equals or exceeds the following: Freight car mileage traffic over district per year per mile 150,000, or a passenger car mileage per year per mile of district 10,000, with maximum speed of passenger trains 50 miles per hour. Class B includes all districts of railway having a single main track with a traffic that is less than the minimum prescribed for Class A and that equals or exceeds the following: Freight car mileage traffic over district per year

per mile 50,000, or passenger car mileage per year per mile of district 5,000, with maximum speed of passenger trains 40 miles per hour. In converting the miles operated in order to get the equivalent and equated mileage to be maintained I have used the equivalent which has been used by the A. R. E. A. in many similar cases and which are as follows: 1 mile of first main track is equivalent to 1.15 miles of second main track; 1.33 miles of third or fourth main track; 2 miles of branch line track; 2 miles of passing or thoroughfare track; 3.33 miles of yard track; 12 main line switches; 25 track switches; 10 railroad crossings; 12 city street crossings; 25 to 50 county road crossings; one half mile of track pans or 4 miles of ditches. In my opinion the underlying cause for maintenance expenses being higher in the southwestern region is due to the fact that the carriers in this [fol. 537] territory are not as old as the carriers in the central western and the northwestern regions. They are not as well developed physically although their development has been carried forward so far as funds for development were available.

The railways in the northwestern and central western territory are on the average fifteen to twenty years older and are therefore better established and can be operated more economically; the older railroads are more seasoned and have gone through the process of adaptation resulting in the greater economies of operation as reflected in the maintenance charges for way and structure. (Tr. 4774, 4775, 4776).

Cross examination:

I used the standard regional divisions which are and have been in effect since Federal control days for the purpose *for the purpose* of fixing the boundaries of central western, northwestern and southwestern regions. Those are the regions that extend across the Mississippi River and the Great Lakes to the Pacific Coast. They are not entirely horizontal divisions of the country. I don't have a list of the carriers with me that are included in the southwest region, in the central western region or in any of this study. The information received from those carriers is usually, in

so far as the individual carrier is concerned, confidential (Tr. 4777).

Here a discussion arose as to whether or not the information which Attorney Towner sought was confidential in its nature. The witness thereupon said that the groups were those carved out by the Accounting Division of the Commission, as the statistics were issued from month to month; that he received the information from a carrier and that information was assigned to the district in which that carrier was placed by the Commission; that the classification [fol. 538] may have been instituted by the railroad administration but has been followed generally by the Commission and the carriers (Tr. 4777-4778).

The Witness (continuing): The information upon which I based my statement of costs was obtained through a questionnaire distributed to the carriers. They reported to me the maintenance of way charges by account exactly duplicating their returns to the Interstate Commerce Commission. I had the statement as to what they have spent in money and further than that they segregated the monies spent for extraordinary purposes. I was able to designate what was spent for ordinary maintenance. I didn't go back of the answers to those inquiries, but accepted at their face value the statements that were made by the various carriers (Tr. 4778-4779).

I mean by equated mile of road: That is a term used to indicate a weighted volume of property to be maintained, reflected in main line mileage. I use all main track mileage, giving each mile the value of one and then I consider the branch track mileage and the siding mileage and other physical properties which must be maintained, converting it to an equivalent of the main line mileage (Tr. 4779-4780).

The classification as to extraordinary and ordinary maintenance expense was made by the officers of the various carriers in furnishing their returns and I accepted the information given me as being correct (Tr. 4780).

I would say that in probably 15 or 20 years from now the maintenance expenses in the southwest would be as low as they now are in the central west or northwest regions, assuming the costs to be on the same level. The excess costs in the southwestern region are due to the inherent diffi-

culties surrounding the maintenance of newer properties. It would appear that when the newness has been overcome [fol. 539] the difficulty would disappear in a great measure at least. I arrived at my conclusion that it would take fifteen or twenty years for the southwestern carriers to reach the basis in the central west and northwest by considering the age of the carriers in the southwest region. Their age is approximately fifteen or twenty years less as an average. I don't think a larger expense along that line by the southwestern lines would operate to decrease the period of fifteen or twenty years that I have mentioned. I believe that nothing but time will overcome that condition (Tr. 4780-4781).

I don't recall the exact definition of the Commission's Class 1, and Class 2 Carriers, but the Class A and B carriers as referred to by me and defined in the manual of the American Railway Engineering Association has reference to the physical conditions and requirements of a carrier. I will accept the statement that the total mileage of the roads that this book calls northwestern region is 48,574 miles and the total mileage in the central western region was 51,797 miles and that the total mileage in the southwestern region was 32,839 miles. I do not care to make public the names of the carriers that furnished the information to me (Tr. 4782).

Mr. Towner: I would like to have the record show the names of the Class I carriers operating in these three various groups as taken from this report of the Bureau of Railway Economics of November 1925. I take it that they would be accepted by everybody without proof. I have it here if anybody cares to look at it (Tr. 4783).

The Witness (continuing): I am not clear as to the meaning of Class one roads. The Class A railroad is a railroad [fol. 540] having more than one main track or those districts of a railway having a single main track with a traffic that equals or exceeds a freight car mileage passing over the district per year per mile of 150,000 or a passenger car mileage per year per mile of district of 10,000 with a maximum speed of passenger trains of 50 miles per hour (Tr. 4783-4784).

Attorney Towner here said that it didn't seem to him that it made any particular difference whether they are designated as Class one or Class A; that the roads contained in the statement he desired to introduce, classified by the Commission in operating territory, were the principal lines. He said that he desired to put in the names of the carriers in the three districts as shown by the report he had referred to and that if there was no objection he would hand it to the reporter then and ask him to copy the list.

Mr. Larimore: All right, there is no objection. Of course you understand, Mr. Towner, in putting in that exhibit or statement, rather, that the Class A roads does not necessarily mean Class 1 according to the witness' description of what constitutes a Class A road?

Mr. Towner: Yes, I appreciate that. I say all that I want is the names of the principal carriers operating in the three districts. It doesn't make any difference whether they are operating as Class A or Class 1. They are the principal lines in those districts (Tr. 4784-4785).

The Witness (continuing): In those instances Class A would be Class 1.

The list of carriers referred to by Attorney Towner follows:

[fol. 541] Railways of Class I and Large Switching & Terminal Companies

Northwestern Region.—Chicago & Northwestern; Chicago Great Western; Chicago, Milwaukee & St. Paul; *Chicago River & Indiana R. R.; Chicago, St. Paul, Minn. & Omaha; Duluth & Iron Range; Duluth, Missabe & Northern; Duluth, South Shore & Atlantic; Duluth, Winnepeg & Pacific; Great Northern; Green Bay & Western; Lake Superior & Ishpeming; Minneapolis & St. Louis; Minn., St. Paul & Sault Ste. Marie; Northern Pacific; Oregon-Washington R. R. & Nav. Co.; Spokane International; Spokane, Portland & Seattle.

Central Western Region.—Atchison, Topeka & Santa Fe Sys.; Bingham & Garfield; Chicago & Alton; Chicago, Burlington & Quincy; Chicago, Peoria & St. Louis; Chicago, Rock Island & Gulf; Chicago, Rock Island & Pacific; Colorado & Southern; Denver & Rio Grande Western; Denver &

Salt Lake; Nevada Northern; Northwestern Pacific; Oregon Short Line; Panhandle & Santa Fe; *Peoria & Pekin Union; Quincy, Omaha & Kansas City; St. Joseph & Grand Island; Southern Pacific System; Toledo, Peoria & Western; Union Pacific; Utah Railway; Western Pacific.

Southwestern Region.—Fort Smith & Western; Fort Worth & Rio Grande; Galveston, Harris. & San Antonio; *Galveston Wharf; Gulf Coast Lines: Beaumont, Sour Lake & Western,—New Orleans, Texas & Mexico,—St. Louis, Brownsville & Mexico; Gulf, Colorado & Santa Fe; Houston & Texas Central; Houston East & West Texas; International-Great Northern; Kansas City, Mexico & Orient; Kan. City, Mexico & Orient of Tex.; Kansas City Southern; Kansas, Oklahoma & Gulf; Louisiana & Arkansas; Louisiana Ry. & Nav. Co.; Louisiana Ry. & Nav. Co. of Tex.; Louisiana Western; Midland Valley; Missouri & North [fol. 542] Arkansas; Missouri-Kan.-Tex. (Incl. W. F. & N. W.); Missouri-Kansas-Texas of Tex.; Missouri Pacific; Morgan's La. & Tex. R. R. & S. S. Co.; *St. Louis Merchants Bridge Term.; St. Louis-San Francisco System; St. Louis, San Francisco & Texas; St. Louis Southwestern; St. Louis Southwestern of Tex.; *St. Louis Transfer; San Antonio & Aransas Pass; San Antonio, Uvalde & Gulf; Southern Pacific-Atl. S. S. Lines; *Terminal R. R. Ass'n of St. Louis; Texarkana & Fort Smith, Texas & New Orleans; Texas & Pacific; Trinity & Brazos Valley; Vicksburg, Shreveport & Pacific; Wichita Valley (Tr. 4785-4786-4787).

I started and concluded this whole investigation within the year 1925. It was concluded in November, 1925 (Tr. 4787).

Here Attorney Boyd said that without testifying he wanted to state the position of the Orient Railroad in the record.

Mr. Boyd: Because before I tender to the Southwestern carriers the only witness that I have here, I expect to have the record show exactly our position in the case.

The Kansas City, Mexico & Orient Railroad Company, William T. Kemper, Receiver, and the Kansas City, Mexico

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(*Switching and terminal companies.)

and Orient Railway Company, and Kansas City, Mexico and Orient Railway Company of Texas, operating a line of railroad in the United States from Wichita, Kansas, through the State of Oklahoma and the State of Texas, to Alpine, Texas, a distance of 737 miles, being under one management and control, constitutes the Orient System, and will be hereinafter referred to as the "Orient."

After the decision of the Interstate Commerce Commission in Increased Rates Case, Ex parte 74 (58 I. C. C. 220), and decisions supplemental thereto, the Orient in good faith applied the rates as increased by the Commission and endeavored to carry on its operation under those rates. After [fol. 543] the exercise of every economy and the application of every expedient possible to the reduction of expenses and after using all possible efforts toward the reduction of the amount which would have to be paid by way of taxes, the Orient found that it was absolutely impossible to pay its operating expenses and taxes from the revenues accruing and as divided under existing divisions between the Orient and its connections and other carriers. It found that the results of these operations under the rates as then existing and as so divided created enormous operating deficits. The Orient was, therefore, confronted with the problem of either an absolute abandonment of the line serving a very large and exclusive territory, or of providing a means of increasing its revenues.

With this situation staring the Management of the Orient in the face, in February, 1922, an application was filed with the Commission requesting the Commission to make an investigation to determine as to whether or not the divisions accruing to the Orient from its connections were fair and reasonable. After due consideration, in April, 1922, under Docket No. 13668, the Commission by appropriate notices and proceedings, entered upon an exhaustive investigation. The hearing upon this investigation began in Washington, D. C., May 15, 1922, and continued through May 16, 1922. At this hearing the Orient and the respondent lines who were the connections of the Orient introduced 42 exhibits, and oral testimony, creating a record of some 256 pages. At this hearing, the operating conditions, the revenues, grades and curves, traffic density, typical rates and divis- [fol. 544] ions and all other matters pertinent to the inquiry were gone into in detail. The Examiner's report was

made and elaborate exceptions and briefs filed in the case, and the case was submitted on May 16, 1922, and decided by the Commission, August 9, 1922 (73 I. C. C. 319). By this decision the divisions accruing to the Orient on traffic moving between the Orient and its connections were increased by various per cents (Tr. 4788-4789).

On September 13, 1922, the connections of the Orient, who were the respondents in the case before the Commission filed in the United States Court for the District of Kansas, a bill for injunction, the purpose of which bill was to set aside the order of the Commission, principally upon the ground that the Commission had decided the case without considering all of the rates and divisions, or a sufficient number thereof between the carriers to determine the question of reasonableness or unreasonableness of the divisions. A temporary injunction was granted and by decision of the United States Court for the District of Kansas, sitting at Denver, Colorado, the Court upon final hearing made the injunction permanent. This decision was handed down March 16, 1923 (288 Federal 102). By this decision the Court found the Commission had the power under the law to determine the question involved, but held that the Commission had not made sufficient investigation as to particular rates and divisions and had not made its investigation sufficiently broad.

From the decision of the United States Court for the District of Kansas, granting the injunction in the case of Abilene & Southern Railway Company et al. versus United States (288 Federal 102), appeal was taken to the United [fol. 545] States Supreme Court (United States versus Abilene & Southern et al., 265 U. S. 274, 44 Supreme Court Report 565). This case was argued March 4, 1924, and decided May 26, 1924, and the decision of the United States District Court was affirmed. In this decision the Supreme Court fully sustained the action and power of the Commission in all particulars, but held that the record did not contain tariffs showing individual joint rates, or the division sheets showing how these individual joint rates are divided, or information concerning the amount of service performed by the Orient and its connections to such individual joint rates (Tr. 4790-4791).

After the decision of the Supreme Court of the United States, the Commission, by appropriate order, re-opened

the case for further investigation and further evidence, and the matter came on for hearing in Washington, D. C., July 30, 1924. This hearing continued until August 6, 1924, and was adjourned until September 2, 1924, and then continued until September 10, 1924. At this hearing there were introduced in evidence by the parties, additional exhibits in excess of 1,000, and oral testimony taken creating a record of something like 1,918 pages. The total record in the case composed some 2,174 pages of oral testimony and over 1,100 exhibits. These exhibits showed the revenues accruing to the various lines involved, the operating conditions, the traffic density, the territory served, the population, land values, grades and curves, all rates and divisions, the methods of divisions, the economies practiced, the service performed, the difficulties of operation, the sources of fuel supplies and materials, the condition of rolling stock and equipment, the sources of traffic, differential rates and [fol. 546] arbitraries and traffic created thereby, which differentials have been lost, the methods of reducing expenses and taxes, the reduction in payrolls, the revenues needed for the maintenance of way and equipment, the efficiency of the operations, the need of the communities for the transportation service, and every fact and factor which would enable the Commission by the most thorough and painstaking investigation to determine and to arrive at an opinion as to whether or not the division of rates accruing to the Orient were reasonable and fair under all the circumstances.

As a result of this very painstaking and very thorough investigation, and after exceptions had been filed, and after elaborate briefs and extended argument before the whole Commission, the Commission decided the case. The case was submitted after argument before the whole Commission on January 9, 1925, and the Commission, under date of February 9, 1925, handed down its decision increasing the divisions accruing to the Orient on traffic interchanged with its connections by the percentages named in that order (96 I. C. C. 368).

The Commission, therefore, after a very full and exhaustive hearing as to all the circumstances and conditions surrounding and involved in the territory served by the Orient in the southwest has determined and adjudicated

the divisions that should accrue to the Orient on business interchanged with its connections, and such a decision so far as the Orient is concerned becomes res adjudicata in the case now under consideration (Tr. 4791-4792).

It is to be noted also that the decision of the Commission in the Orient Divisions Case was submitted January 9, 1925, and decided February 9, 1925, and that in the short [fol. 547] period of time since these dates, there could not occur any change of conditions which would be sufficient to justify a re-examination and re-determination of that case.

It is also to be noted that at the time the Commission was considering and trying the Orient Divisions case, the present investigation was under consideration by the Commission, and the devision of the Commission, therefore, in the Orient's case was made with full knowledge of the present investigation, and had the Commission intended that the status of the Orient's position as to divisions accruing to them on traffic interchanged with southwestern lines and its connections, and incidentally with western trunk lines should be modified, or in any way changed by the decision of the Commission in the present case, it would have, no doubt, made some reference thereto.

We, therefore, take the position that as to divisions accruing to the Orient on traffic interchanged with its connections, the Commission has made a full and final determination which is conclusive against any order which would reduce the revenues of the Orient, which may be made by the Commission in connection with the present hearing.

We, therefore, respectfully submit that if upon final hearing in the present case, under Docket No. 15234, that the divisions as between western trunk lines and southwestern freight bureau lines are to be increased in favor of the western trunk lines, the Orient must be exempted from the application of such an order.

If it shall be determined that in the investigation in dealing with the southwestern lines generally, the operating [fol. 548] difficulties and activities of the Orient as a southwestern line should be taken into consideration in connection with the general territory of the southwest, we will be glad to have an operating witness present, to present such facts as the Commission may desire on the subject. It is to be distinctly understood, however, that in present-

ing such a witness, we do so as an aid to the Commission in its general investigation of the southwestern territory, and at the same time insisting that as to the divisions accruing to the Orient, the matter has been determined.

If, in the present case, a decision shall be made, or a proposed report shall be presented, which will in any way reduce the revenues accruing to the Orient, or reduce its divisions, we shall reserve the right to present appropriate exceptions thereto, and to ask for a further hearing and presentation of proof.

Exam. Disque: Is there an order still outstanding fixing any certain amount, as the divisions that you are to receive for all future time? (Tr. 4793-4-4795.)

Mr. Boyd: What do you say?

Exam. Disque: Is the order in the Orient case outstanding today?

Mr. Boyd: Yes, sir.

Exam. Disque: Which says that these divisions which you now receive shall continue in effect until the further order of the Commission?

Mr. Boyd: Yes.

Exam. Disque: And does it fix certain specific figures as your proportion or say that you shall get a certain increased percentage over the standard division at the time [fol. 549] they state, at the time of the order?

Mr. Muckley: They took the division that existed at the time the order was made and increased the Orient's proportion. Sometimes the increase was applied to the Orient's connections and sometimes to the Orient's proportions.

Exam. Disque: Well are these proportions percentage proportions or money proportions?

Mr. Muckley: Well there is no specific money proportion on any particular traffic. It just says take your first divi- and increase the Orient a certain percent, that is all.

Mr. Roberts: That was confined, however, to the immediate connections; no other carriers.

Mr. Muckley: Immediate connections, but some of them were western trunk lines as well as southwestern lines (Tr. 4796).

The Examiner here said that in this case the Commission could increase or reduce the portion north of Kansas City without specifically saying what the lines south of Kansas City should do for the Orient, and that he didn't see that the Orient had any particular place in this record so far as division north and south of the gateway is concerned. Attorney Towner said that it occupied about the same position as the other southwestern lines occupy, such as the Texas and Pacific and the Gulf Coast Lines. The Examiner now said that the Commission could change the divisions north and south of Kansas City and north and south of St. Louis and then in a separate proceeding the lines south of Kansas City and south of St. Louis could divide amongst themselves what was left. Attorney Muckley said that if the proportion south of Kansas City was reduced, the Orient's proportion would also be automatically reduced as he understood it, under the present percentage basis, and that that would not violate the existing order [fol. 550] of the Commission in his opinion (Tr. 4797).

J. A. SHEPHERD was thereupon called as a witness and testified as follows:

Direct examination:

I live at Wichita, Kansas, and am Assistant to the General Manager and Superintendent of Car Service of the Orient Railroad. Attorney Towner conceded the witness' qualifications (Tr. 4797-4798).

I have prepared a statement of the situation of the operating condition of the Orient Lines generally. The history of the Orient railroad as one of the southwestern lines has been filled with financial difficulties and handicaps which has made its continued operation a serious problem, and its situation has always been and is now one that has required more money than its revenues produced. In order to show that no order of the Commission which may be made in this case should have the result of reducing the revenues which accrue to the Orient lines on its traffic, it is but necessary to call attention to certain of the major difficulties surrounding its operations (Tr. 4798).

1. The deficits accruing on this railroad from the year 1920 to 1924 (the last full year's figures available) have been as follows: 1920 $1,482,606.97; 1921 $956,740.49; 1922 $624,893.60; 1923 $170,101.45; 1924 $7,798.04; so that the total deficits from 1920 to 1924 inclusive accruing on this line were $3,242,139.55.

2. The Orient secured a loan from the United States Government in the sum of $2,500,000.00 and the forebearance of the Government in the collection of this loan and [fol. 551] in the collection of the accrued interest thereon has enabled the Orient to continue its operations.

3. The fact that the revenues accruing to the Orient from traffic moving over its line have been insufficient to meet its expenses even by the exercise of the most rigid economy has resulted in a very serious under-maintenance of equipment, structures and road. The under-maintenance of equipment has also caused an enormous expenditure in per diem and car hire on foreign line cars, and in excessive repair bills on its own equipment. The roadbed over the entire line is without ballast and is very sensitive to climatic conditions which greatly increases its cost of maintenance. The Orient crosses a number of dangerous streams in Oklahoma and Texas. Practically all of the bridges on the Orient are of wooden construction on piling. There are on the Orient more than 13 miles of bridges and trestles which require heavy repair bills to maintain. A large number of the cars owned by the Orient railroad, on account of lack of funds, are in such condition as not to be acceptable by foreign lines in interchange. The locomotives with few exceptions are old, requiring heavy repair bills in order to keep them in operation, and were equipped with obsolete valves resulting in excessive fuel consumption. Every bit of money which it has been able to procure has been necessarily used in putting the track in shape for operation and the cars in condition to be used, and to make the locomotives fit for service.

4. There are no timber lands, coal mines, or other mill or manufacturing plants on the Orient lines. This necessitates the purchase of all materials, supplies and fuel off the line, and the great distances from the road necessitate

[fol. 552] the payment of large freight bills on all fuel, ties, materials and all other supplies necessary to be used. In fact the very lack of funds has made it necessary to buy materials and supplies to meet temporary demands in small quantities thereby preventing the Orient from securing large quantity prices or favorable long time contracts (Tr. 4799-4800).

5. The local traffic produced upon the railroad has never been sufficient to maintain the line. It is, therefore, necessary to secure as much overhead traffic as possible. In order to secure this traffic in competition with other railroads it is necessary to maintain regular schedules on through freight trains. The number of these trains have been reduced to the minimum consistent with the service. On account of the light traffic which the Orient has been able to secure, the tonnage on these trains has been light and never, except in very rare intervals, up to the capacity of the engines necessary to be used.

6. The traffic originating on the Orient railroad is such as is usually produced in cattle raising and farming communities. The percentage of this traffic to the whole traffic handled is probably larger on the Orient railroad than on any line in the southwest. Live stock constitutes a very large percentage of the traffic handled by the Orient. This traffic is produced principally in western and southwestern Texas and moves uniformly to the north and east. This necessitates the handling of empty cars over a large mileage to care for the traffic as well as the expenditure of a large amount in car rental for foreign cars. In fact, the empty car mileage on the Orient railroad for this traffic equals ans sometimes exceeds the loaded car mileage. The [fol. 553] fact that this traffic moves in one direction also necessitates the moving of light trains of engine and caboose in order to handle the stock. This traffic moves during certain seasons in large quantities and in other seasons there is practically no movement. During the rush season it becomes necessary to call upon foreign lines for sufficient cars to handle the traffic and it frequently occurs that the foreign line furnishing the cars demands a haul on the loaded traffic. This frequently results in creating for the Orient a short haul on traffic upon which it could enjoy a

long haul if it were sufficiently equipped with stock cars. It is well known that the bedding of cars, the maintenance of stock pens, and the excessive loss and damage claims growing out of the handling of live stock render this traffic very expensive to handle, and in many instances, non-remunerative. While this is generally true over all railroads which handle live stock. It constitutes an unusual burden upon the Orient because of the large percentage which the live stock traffic bears to its total traffic.

Another commodity which constitutes a large percentage of the Orient traffic is cotton. This commodity is expensive to handle because the expense of loading is borne by the originating carrier. Cars are detained at compresses on an average of five days during the cotton season upon which per diem has to be paid. The expense of inspection is borne by the carrier. The nature of the commodity is such that it is peculiarly subjected to risks of fire, necessitating the carrying of insurance upon this commodity alone, and the cost of various expedients for the protection of the property against fire such as guards, water supplies and equipment, platform for loading and unloading and other incidental expenses peculiar to the handling of this commodity (Tr. 4800-4801-4802).

[fol. 554] Grain is another commodity which constitutes a large percentage of the Orient traffic. This commodity requires the use of cars in the best possible condition. On account of the condition of the Orient equipment from lack of funds, the greater portion of grain handled on the Orient railroad must be handled in foreign line cars, and in order to have these cars for use when needed during the grain season they must be accumulated and stored for some time before they are actually used, resulting in a very heavy per diem cost to the road. The carrier originating the traffic must furnish paper, lath, nails, and *f*rain doors for coopering the cars. The cars used for grain traffic are subject to numerous costs for light repairs to make them fit for grain loading. The traffic is such that it requires a large amount of absorption of switching charges and an unusual amount of backhauling movement. This commodity also produces a large number and amount of loss an damage claims growing out of leakage and other incidents to which the traffic is peculiarly liable.

7. Not only does the Orient serve a farming and cattle raising territory, but the territory which it serves has a very low traffic density. In fact the traffic density on the Orient line is probably lower than that of any line in the southwest.

8. A profile map of the Orient railroad will show that there are numerous heavy grades at various points which on account of lack of funds this line has been unable to reduce. This results in low engine ratings which could otherwise be avoided and creates a very adverse operating condition.

9. The Orient is required to operate local freight trains over its entire line on week days to handle local merchan- [fol. 555] dise, short loads, and to take care of the local switching. During the first half of the year the local business on this line is very light and the engines do not handle more than 25 per cent of their rating (Tr. 4803-4804).

10. The Orient has tried every possible expedient to keep its expenses within its income, and has tried every possible expedient to increase its revenues. It has combined departments so as to reduce to the minimum its general office expenses. It has increased the duty of officers by consolidation of departments. It has successfully appealed to the various tax authorities for a reduction of taxes. It has vigorously fought every attempt to raise the wages of its employees to standard rates of pay. It has not only made its purchases of any material as small as possible, but has made every use possible of scrap and reclaimed materials. It has undertaken to increase its revenues by the increase of tonnage handled over its line. This it has done by two expedients, first, by a very vigorous soliciting campaign not only by its paid solicitors, but by the cooperation of the employees in every department of its service. It succeeded in 1923 in inducing the other railroads to permit it to become a differential route so that carload traffic moving over the Orient as an intermediate carrier was subject to a differential of $7.50 per car under standard rates on certain traffic, and on transcontinental sugar and lumber a differential of 1¢ per hundred pounds. This expedient resulted in attracting to the Orient railroad during the years 1923 and 1924 a large volume of traffic which would not

have otherwise been obtained, and to that extent increasing its revenues. It enjoyed this traffic from February 8, 1923, [fol. 556] until June 30, 1925, when the tariffs providing for the differential rates were, by action of the other railroads, cancelled. The result of the cancellation of the differentials was immediately felt by loss of traffic. In addition to this expedient, the Orient by consent of the Interstate Commerce Commission, and of the State Commissions, has applied an arbitrary on traffic moving to non-competitive stations over a portion of the line and from and to non-competitive stations west of San Angelo, Texas, of $10.00 per car on carload traffic and 10¢ per 100 pounds on less than carload traffic.

11. What the people along the line of the Orient railroad need is an improved service. Every dollar which the Orient has been able to obtain has been expended in improving its roadbed, track and equipment, so as to render to these people living along its line and to its patrons everywhere, the best service possible. None of the revenues which have been received have been paid to any stockholder or investor by way of dividends or interest, for all of its revenues are needed and are in fact not sufficient to enable it to render the adequate transportation service to which the people along its line justly are entitled to, and any order of the Commission which might be made which would reduce these revenues in the slightest degree would not only jeopardize continued operation of the railroad, but in fact would work a hardship upon the communities which it alone can serve (Tr. 4804-4805-4806).

When I speak of the Orient Lines, I mean both the Kansas City, Mexico and Orient and the Kansas City, Mexico and Orient of Texas. In 1924 the two lines together showed an operating deficit of $7,798.00. Those figures were fur- [fol. 557] nished to me by the Assistant Auditor who is here and who compiled the figures. I am unable to testify as to what the figure I have given includes.

Mr. Boyd: I can tell you if you want to know.

Mr. Towner: Doesn't it include interest?

Mr. Boyd: It includes interest on the Government loan only. The standard return item would show a net of $142,000.00. I am not giving the exact figures but approximat-

ing it, which does not include the $150,000.00 on the Government loan.

Mr. Towner: On your actual operation then there was no deficit?

Mr. Boyd: Standard return operation, no, sir (Tr. 4706-4707).

The Orient line has done considerably better during the first 11 months of 1925. I don't think so. We had better let Mr. Kelly testify to that, but it is my recollection that we did not do better in the eleven months of 1925 (Tr. 4807).

L. H. MATHIS was thereupon called as a witness and testified as follows:

Direct examination:

I am Assistant General Freight Agent of the Louisiana Railway and Navigation Company, Shreveport, Louisiana. I have been connected with that line six years. The character of testimony that I am going to offer is simply a statistical table. I have familiarized myself with the conditions that I am going to describe in my testimony (Tr. 4808).

L. R. & N. Company (Louisiana Line) operates a low grade line from New Orleans, Louisiana, to Shreveport, [fol. 558] Louisiana, with a branch line from Aloha, Louisiana, to Winnfield, Louisiana, operated mileage being as follows: Main Line, New Orleans to Shreveport 303.25 miles; branch line, Aloha to Winnfield 27.14 miles, making a total of 330.39 miles. The Line has been in operation as a through line between New Orleans and Shreveport since December, 1926. The line makes connections at Shreveport, Alexandria and Winnfield with important western lines and at Baton Rouge and New Orleans with important eastern lines, and with ocean and coastwise steamship service at New Orleans. The line handles a large volume of domestic traffic as well as import, export and coastwise traffic.

The L. R. & N. Company of Texas, which is the Texas line, operates a line from Shreveport, Louisiana, to McKinney, Texas, mileage being 206.08 miles. The line has been in operation for some 20 to 25 years, but prior to April 1st, 1923, was operated as the Shreveport Division of the Missouri Kansas & Texas of Texas, and for this reason we do not have any of the traffic or operating figures for that line prior to that date, the result of operation being included with the figures for the M. K. & T. lines. The line makes connections at Shreveport with important lines leading to the east, and connects with important western lines between Shreveport and McKinney and at McKinney with the Southern Pacific Lines. The line serves a prosperous local community and has a fair volume of through business (Tr. 4808-4809).

A condensed profile of the railroad was thereupon offered in evidence as Exhibit A-109.

(Exhibit A-109 was received in evidence.)

[fol. 559] The first page of Exhibit A-109 is a condensed profile of the Texas Line from Shreveport to McKinney, Texas, and while this profile shows heavier grades than the Louisiana Line, the grade line compares with other lines in that section of the country. Page 2 is a condensed profile of the Louisiana line from New Orleans to Shreveport which shows that it is a low grade line the entire distance. The statement attached, shown on page 3 shows that the maximum tractive power has been increased since 1917 from 35,360 pounds for the highest tractive power of locomotive in use at that time to 51,500 pounds in 1924 and at the present time, having added seven locomotives of this maximum tractive power since that date. Total tractive power has been increased from 999,200 pounds in 1917 to 1,400,400 pounds in 1924, or an increase of 401,200 pounds being 41.16 per cent, all of which has been in freight locomotives. The statement shown on page 4 shows that the revenue tons per train mile for 1917 was 317.32 tons, while in 1924 the revenue tons per train mile averaged 486.79 tons, being an increase of 169.47 tons, or 53.41 per cent. From page 3 it will be noted that the increase in tractive power was 40.16 per cent, while the increase in train load-

ing as shown by revenue tonnage was 53.41 per cent (Tr. 4810).

The statement shown on Page 4 also shows comparison in the consumption of fuel on the basis of pounds of coal (oil reduced to coal) per 1,000 revenue ton miles, which shows in the year 1917 that an average of 445.90 pounds of coal were used per 1,000 revenue ton miles, while during the year 1924 an average of 394.36 pounds of coal were used to 1,000 revenue ton miles, thus showing a reduction of 51.54 pounds of coal used to 1,000 revenue ton miles, or [fol. 560] a reduction in the consumption of fuel of 11.56 per cent as compared with the year 1917.

Now statement shown on page 5 shows comparison of payments account of loss and damage freight claims, which shows that in 1917 the amount was $22,309.30 or 1.19 per cent of the freight revenue for that year, while in the year 1924 the amount was $38,776.01 or 1.06 per cent of the freight revenue for that year which shows a reduction of 0.13 per cent.

The average freight revenues per ton one mile for 1924 increased over 1917 only 7.26 per cent, while with all of the economies and savings we have made the average handling cost per ton one mile of operating expenses, not including taxes, hire of equipment, etc., has increased 26.63 per cent for 1924 as compared to 1917, thus showing that freight rates have been reduced more in proportion than wages and cost of material (Tr. 4811).

L. H. CECIL was thereupon called as a witness and testified as follows:

Direct examination:

My name is L. H. Cecil, my present position is Assistant to Vice President and General Manager of the Texas Lines of the Southern Pacific. I have occupied that position since February 1st, 1919, seven years. Six years prior to February 1st, I was employed as Assistant Superintendent on the Louisiana Lines and Superintendent of the Austin Division of the Texas Lines. For five years prior to March

1st, 1913, I was Chief Clerk to General Superintendent of the Southern Pacific Lines of Louisiana (Tr. 4812).

I am familiar with the Southern Pacific Lines in Texas [fol. 561] and Louisiana as to their physical characteristics and operating conditions in general. As of December 31, 1925, the total miles of road operated by the Southern Pacific Lines, in Texas, was 3,711 miles; in Louisiana, 736 miles; in both States a total of 4,447 miles. In the remarks which follow, this mileage is divided into three geographical groups: Group 1: 889 miles of road in Southern Louisiana and Southeast Texas; indicated by solid red line on Exhibit A-110. Group 2: 2,901 miles of road in Texas and Northern Louisiana, comprising all of the mileage east of San Antonio not included in Group 1; indicated by solid green line on said exhibit. Group 3: 657 miles of road comprising all mileage west of San Antonio; indicated by solid yellow line on said exhibit (Tr. 4813).

The exhibit referred to by the witness was thereupon offered in evidence as Exhibit A-110 and two similar exhibits were offered in evidence as Exhibits A-111 and A-112 respectively.

(Exhibits A-110, A-111, and A-112 were received in evidence.)

[fol. 562] The main line in Texas east of Houston and all mileage in Southern Louisiana (comprising the total of 889 road miles in Group 1- lies close to the Gulf Coast, traversing a flat, low, and in considerable part marshy and swampy country, crossing the drainage baisins of the Mississippi River, Bayou des Allemands, Bayou La Fourche, Boeuf Bayou, Atchafalaya River, Bayou Vermilion, Mermentau River, Calcasieu River, Sabine River, Neches River, Trinity River and San Jacinto River, close to their outlets into the Gulf. The Mississippi River is crossed by ferries, the operation of which is slow and expensive, at New Orleans, Avondale (which is located twelve miles west of New Orleans) and Baton Rouge. Other drainage baisins mentioned, as well as numerous smaller streams and long stretches of cypress swamp and marsh land, are crossed with bridging and long stretches of high embankment.

Owing to the very low bearing strength of this alluvial land and continuous water saturation, serious trouble has been experienced since the original construction on account of embankments sinking and sliding. This situation has grown more and more serious under heavier locomotive and equipment loading of late years. Very large expenditures have been made repairing and restoring embankments so affected. To secure fairly stable roadbed a base width of embankment from two to three times the normal relation to height must be provided and maintained. Under such conditions extraordinarily large quantities of ballast and embankment materials and heavy track and roadway labor forces are required to maintain trackage in condition to safely and expeditiously handle the traffic. Along this Gulf Coast territory all metal parts (such as rails,) track [fol. 563] fastenings, steel bridges and tanks, sheet iron structures, wire lines, etc.) are subject to rapid deterioration from corrosion which is aggravated by the salty air. Efforts have been made, and are being continued, to overcome or alleviate this condition by the use of rest resistive and protected metals, special paints and surface coverings, and by application of oil coating on track rails and metal fastenings. The relatively short serviceable life of metal parts and the special materials and the large labor forces, used to combat the destructiveness of rust and corrosion, are maintenance items of extraordinary character and large cost peculiar to this territory (Tr. 4814-4815).

As stated before, the lines in Louisiana and the Texas main line east of Houston in Group 1 are laid across the drainage basins of many very large streams, close to their outlets into the Gulf, and to a more or less serious extent are affected by all minor and major floods which have origin in any part of that great area, covering all or parts of a dozen or more States whose drainage reaches an outlet into the Gulf of Mexico between New Orleans and Houston, a distance of 362 miles by the Southern Pacific Lines. The rivers and bayous listed in the foregoing enumeration are all crossed by the principal main line and again in most cases by lines of secondary importance. During the flood of 1912 the waters of the Mississippi River broke through into the drainage basis of the Atchafalaya, resulting in the inundation of several stretches of track, miles in length, on

the main line between Morgan City and New Orleans, a distance of 79 miles. Traffic via this route was entirely suspended from June 10th, 1912, to July 7, 1912. The traffic [fol. 564] on that line was also considerably restricted from May 27th, 1912, to July 21, 1912; though it was not completely out of service except from June 10, 1912, to July 7, 1912. The same thing occurred on the branch line from Lafayette to Baton Rouge, which is 57 miles in length and which is a very valuable line to us because it shortens the distance to and from points west of Lafayette and north of Baton Rouge and Hammond, about 175 miles, both of the latter named being junction points with the Illinois Central. Service on the Baton Rouge line, on account of this overflow was completely suspended about 30 days in the same year. The movement of traffic was very materially restricted from May 3, 1912, to December 2, 1912. It required years of extraordinary repair work to fully correct the damage done. The Atchafalaya basin has always served as an overflow channel for the Mississippi. Every major flood stage of the Mississippi results in the inundation of the branch line to Baton Rouge through the Atchafalaya basin with suspension of traffic until water recedes and track repairs are made, the most serious trouble since 1912 occurring in 1922 when the line was entirely out of service for a period of sixteen days, June 14th to July 1st. Extremely heavy expenditures will be necessary for levees, track raising, and bridge reconstruction to overcome this condition (Tr. 4815-4816-4817).

Due to proximity of tide water and flat contour of country all these streams in Southern Texas east of Houston (as well as in Southern Texas west of Houston which will be discussed later) and in Louisiana, have a flat grade line and sluggish current except under flood conditions. Hence their channels have a tendency to meander, resulting in the necessity for large and expansive bank revetment, current retards, and mattress protection projects to keep the channel locations fixed at the established bridge crossings. [fol. 565] These streams flow through timbered districts where lumbering is an active industry. At flood stages great masses of drift composed of tree tops, logs, and smaller drift wood, accumulate in huge rafts. To prevent choking of these drift rafts at bridge crossings heavy forces are then maintained, working in three shifts to keep drift

moving. On occasions dynamite is required—also steam cranes and locomotives are used as drift pullers.

A maintenance difficulty of extraordinary character, peculiar to this territory and important in its damaging effect on maintenance of drainage and clear openings through bridge structures, is the luxuriant growth of water hyacinth or water lilies. Great drifts of these floating water plants choke drainage ways and accumulate in such huge quantities at bridge openings as to result in practically damming the water-ways, necessitating use of large labor forces and special steam crane equipment to clear the openings. More or less work of this nature is required every season (Tr. 4817-4818).

The climate and rainfall in Southeastern Texas and Southern Louisiana foster a year-round heavy and rapid growth of weeds and grasses. Aside from the great amount of time spent by section forces in cleaning weeds and brush from track and right-of-way, applications of poisonous chemical have been made for the past six years, and will be continued on a heavier scale in the future to more effectively combat the destructive invasion of rank weed growths.

On this Louisiana mileage there is an average of 131.5 lineal feet of bridging per mile of road. With the development of the country which will call first for drainage improvements, the required area of water-way openings will no doubt be increased and it is likely that additional bridging will be required.

[fol. 566] All of our mileage in this territory, still referring particularly to Louisiana and Southeastern Texas, is subject to heavy rain fall, at times almost continuous for days at a stretch. It is not uncommon for an entire year to pass with but few of the right-of-way borrow pits and ditches being at any time clear of water. The mean average annual precipitation for Louisiana and Southeastern Texas is 52 inches. This compares with States in Central West as follows: Arkansas 50 inches; Missouri 37 inches; Kansas 31 inches; Nebraska 31 inches; Illinois 33 inches; Iowa 34 inches; South Dakota 17 inches; North Dakota 18 inches; Minnesota 29 inches; Michigan 32 inches.

In this territory the combination of moisture and warm climate brings about the most favorable conditions for destructive action of timber decay fungi. Such untreated timbers as are used for structural work give relatively short

life and require frequent paint applications to prevent deterioration (Tr. 4818-4819).

Referring now to the 2,901 miles of road in Group 2 comprising all of the mileage in Texas lying east of San Antonio, except that in Group 1—that is the green on Exhibit 110. ' Attention is invited to certain unfavorable physical conditions existing, some being peculiar to the territory served, and all important in their adverse effect on maintenance work and operating results. A large part of this mileage was constructed prior to 1875 and most of the balance prior to 1890. Modern railway location and construction practices, with respect to elimination of sharp curvature and heavy grades, were not observed in this early construction. The funds have not been found available to accomplish much in the way of re-alignment and grade reduction and the line remains today, in these respects, substan- [fol. 567] tially as originally built. Taking nineteen locomotive districts, comprising a total of 2,131 road miles, out of the total of 2,901 road miles, as typically representative (unimportant branch lines not being included in these nineteen districts), average conditions with respect to alignment and grade conditions are found to be as follows: (a) Degree of curvature per mile 24 degrees one minute; (b) miles of line per complete circle turned: 14.99; (c) sum of all ascents in feet—per mile of line, eastward: 12.5'. By eastward movement I mean, for example, from Denison towards Houston and from Houston to San Antonio. I mean that Houston to San Antonio would be westward, but from Denison to Houston would be what I call eastward. Sum of all ascents in feet—per mile of line, westward: 14.3'. (e) Miles of ascending grade over 1 per cent—per 100 miles of line—eastward: 7.32. (f) Miles of ascending grade over 1 per cent—per 100 miles of line—westward: 7.98. Of these nineteen districts the maximum or ruling gradients with respect to tonnage rating are as follows: 2.25 per cent to 2.50 per cent, one district eastward; none westward. 1.50 per cent to 2.15 per cent, five districts eastward; and four westward. 1.25 per cent to 1.49 per cent, nine districts eastward; and nine districts westward. 1.00 per cent to 1.24 per cent, three districts eastward; and six districts westward. 0.75 per cent to 1.00 per cent, one district eastward; and none westward. From this it will be seen that except for one direction on one district the ruling tonnage grade is

in all cases in excess of one per cent. On thirteen of the nineteen districts ruling tonnage grade in both directions is 1.25 per cent or more. On all these districts there are two or more grades at widely separated points of the ruling rate or so closely approximating it as to make helper engine [fol. 568] assistance impracticable and uneconomical as a means of increasing the locomotive tonnage ratings (Tr. 4820-4821).

The information I am giving is shown in more detail in Exhibit A-111 and I am summarizing that in my testimony. It is abbreviated in Exhibit A-112. The section of Texas traversed by this mileage is subject to a mean average annual precipitation approximating 50 inches. As a general thing about 25 inches falls in some four consecutive monthly periods, frequently following a long period of drought. The effect of these alternate extremes of wet and dry on the roadbed and track structure is exceedingly destructive. Especially is this true on the considerable portion of this mileage having embankments built of a waxy gumbo soil peculiar to Texas. During a dry spell this gumbo shrinks and cracks under the ballast section and along the shoulders. Large quantities of ballast material disappear into these crevices, weakening the ballast support under ties and resulting in rough track, requiring constant attention of track forces to keep track structure in condition for normal speed. During periods of rainfall water accumulates in the gravel filled crevices saturating the gumbo which swells and heaves and frequently large sections slide away from the main body of the embankment under the hydrostatic pressure produced by traffic loading. Likewise during these wet spells track forces are required to give constant attention to track surface and line to maintain safe conditions. The orderly conduct of the usual constructive track maintenance work such as tie renewals, cleaning of ditches and culverts, tightening of bolts, etc., is impossible where track conditions are so affected by the reaction of the subgrade to alternate dry and wet weather. Fully 15 per cent of this mileage is subject to such conditions, re- [fol. 569] quiring from two to five times the normal attention of track labor for surfacing and lining (Tr. 4822-4823).

Most of the drainage in the area traversed by this mileage is carried in the basins of the Neches River, Trinity

River, San Jacinto River, Brazos River and Colorado River. All of these streams have strong meandering inclinations which have necessitated current retard and bank revetment work to hold their channels at the established bridge crossings.

This mileage crosses the Neches River at three points, the Trinity River at three points, the San Jacinto at one point, the Brazos River at four points, and the Colorado River at six points. All of these streams reach flood stages frequently—rarely at intervals greater than one year. Each such occurrence makes necessary the assignment of extra forces for track patrol, sand bag protection, anchoring of track, pulling of drift and other special and extraordinary measures to protect the property and insure safe movement of traffic. Traffic delays and interruptions are often sustained—in the case of principal main line varying from a few hours to as much as fourteen days—this in recent years (Tr. 4823).

Torrential rains of cloudburst proportions occur in the portion of Texas served by this mileage, causing traffic interruptions and delays, as well as serious property damage. Instances of such extraordinary rainfall during periods of 24 hours or less follow: vicinity of Cuerro, Texas, July 23, 1919—11.96 inches; vicinity of Edna, Texas, June 22, 1921—10.00 inches; vicinity of San Antonio, Texas, September 9, 1921—6.83 inches; vicinity of Austin, Texas, September 10, 1921—19.03 inches; more than your average annual pre-[fol. 570] cipitation in either of the Dakotas; vicinity of Ft. Worth, Texas, April 1922—8.81 inches; vicinity of Houston Texas, March 25, 1922—7.36 inches; vicinity of Beaumont, Texas, May 18, 1923—13.54 inches; vicinity of Galveston, Texas, June 12, 1925—10.27 inches. The lines in the Gulf Coast territory are subjected to storms of unusual magnitude. On September 8, 1900, the Gulf Coast of Texas was visited with one of the most destructive storms on record from the standpoint of human life. Galveston was the chief suffered. At the time of the 1900 storm there were three railway trestles and a highway bridge between the mainland and Galveston island. All three of these structures were destroyed and only one (The G. C. & S. F.) structure was restored. This trestle was 10,680 feet in length and was replaced by a causeway (which was com-

pleted in 1912) after nearly three years work at a total cost of $2,025,000. This structure consisted of twenty-eight 70 foot concrete arches and a 109 foot Scherzer rolling lift span, making the length of the concrete and steel structure 2,450 feet 26 inches, in addition to which there were two approach embankments having total length of 8,220 feet. The structure was given a width sufficient to accom-odate three railway tracks and a highway 19 feet wide. When this structure was designed it was felt it would withstand any storm which might be expected, but on August 16th-17th, 1915, the Texas Gulf Coast was visited by a storm of even greater violence than the one in 1900. The Galveston seawall, which was constructed following the 1900 catastrophe, fully measured up to expectations and the city was saved from disaster. The Causeway, which had only been in service about three years, was not so fortunate. It was damaged to such an extent that it had to be rebuilt. Construction on the new causeway was started in September, 1917, and was completed in 1921, at a cost of approximately [fol. 571] $2,727,000.00. 45 per cent of the cost of this structure was borne by the railroads entering Galveston (Tr. 4824-4825).

The Gulf Coast has been visited by several severe storms since 1915. None have been of sufficient violence to cause destruction of human life or to do serious harm to the causeway, but they have resulted in a considerable amount of railroad property damage, as well as traffic delays. In September, 1919, another terrific storm swept the Texas Gulf Coast and in this case Corpus Christi was the chief sufferer. The storm caused the loss of quite a number of lives and traffic was tied up or more or less interrupted for several weeks on the line of the S. A. & A. P., which is now a part of the Southern Pacific System, between Corpus Christi and Gregory and between Gregory and Rockport (Tr. 4825).

I will now discuss the physical conditions affecting maintenance and operation of the 657 miles of road in Group 3, comprising the mileage in Texas west of San Antonio. That is shown in yellow on Exhibit A-110. This is a continuous stretch of main line except for one branch from Spofford to Eagle Pass, 34 miles in length. Construction of the main line was completed and the line placed in opera-

tion in 1883. The section of south and west Texas traversed by this mileage is generally rugged and mountainous. You will note you can follow me on that in the condensed profile, Exhibit A-111, beginning on sheet 3. Beginning at San Antonio, with elevation of 655 feet above sea level, the line climbs to 964 feet above sea level at Del Rio, the west end of the first district; then to elevation of 2,271 feet at Sanderson, the end of the second district; then to 4,432 feet at Valentine, the end of the third district; then drops to 3,773 feet at El Paso, the west end of the fourth district and of the line. At Paisano, Texas, on the district between Sanderson and Valentine the line reaches eleva- [fol. 572] tion of 5,078 feet, which is the highest elevation attained on the Sunset Route between New Orleans and San Francisco—the Continental Divide (Tr. 4826).

Annual rainfall in this territory is comparatively light but very heavy downpours generally of a local cloudburst character are not unusual. Due to rocky formations and rugged contours, the run-off is heavy and the velocities great. Water courses are generally dry but on occasions run bank full with great destructive force. These water courses are usually deep canyons or gorges eroded in the solid rock. Largest of these is the Pecos River Canon which is crossed by a viaduct 1,516 feet in length, with the rail 321 feet above the bottom of the canyon. This structure consists of 15 35 feet deck plate girder spans, 1 45 foot deck plate girder span, 8 65 foot lattice deck girder spans, 1 80 foot deck suspension truss, 2 173 foot deck cantilever arms, weight 5,497,063 pounds. It is the highest railroad viaduct in North America and according to the best authority we can secure, it is the seventh highest railroad viaduct in the world. It was constructed in 1892, re-enforced to take care of increased train loading in 1910.

The location and construction of the mileage in Group 3 was rushed under great pressure to get the line in service as soon as possible. A first consideration in the location work was to avoid heavy grading, hence the alignment follows the contours of the land with but little regard for curvature. Little or no effort was made to avoid gradients up to one per cent. Canyons, ordinarily dry but known to be bank full with swift currents at times were crossed and recrossed with trestling to avoid delay and cost of making

heavy rock excavations, for the handling of which work [fol. 573] proper equipment, as we now consider it, was not then available (Tr. 4827).

Many very costly realignments have been made since the original construction, having as main objectives reduction of curvature and distance and elimination of high water trouble. Several minor realignments are now under way and one major project has just recently been started. This contemplates relocation between Langtry and Osman, Texas, 9.36 miles of new line replacing 13.84 miles old line to be abandoned, resulting in reduction of 4.48 miles in distance, 46 feet in rise and fall, 765 degrees of curvature, equal to 2.12 complete circles, and 4,525 feet of bridging. The present line to be abandoned is located in the Meyers Canyon drainage basin—crossing and recrossing the water course ten times on timber trestling. Discharge of cloudburst waters through this canyon has wiped out all of these bridges and completely tied up traffic awaiting their reconstruction three different times, the last time in 1919 when traffic was suspended for twelve days.

Right in that particular you will note from the map that when the Southern Pacific Lines are prevented, by washouts or other troubles, from operating, there are no opportunities of detour. The only opportunity we have is to detour around through Ft. Worth, Dallas and Ft. Worth and over the Texas & Pacific. There are no lines available west of San Antonio or De Rio to afford a detour (Tr. 4828).

On other occasions in recent years flood waters in this and other canyons have caused serious damage with consequent traffic delays and heavy cost for track and bridge repairs. Some benefit in reduction of rise and fall is ob- [fol. 574] tained in these realignment projects but no substantial benefit from standpoint of ruling gradient with respect to tonnage rating—because of the number and widespread location of gradients of the ruling rate or closely approximating it. For the same reason helper engine service as a means of increasing train loading is not practicable and to materially improve existing tonnage ratings by grade reduction on any of these locomotive districts would be prohibitive. On the four main line districts the maximum or ruling gradients with respect to tonnage ratings

are as follows: (You will be able to follow me on Exhibit A-112.) San Antonio to De Rio eastward 1.49, westward 1.33; Del Rio to Sanderson eastward 1.26, westward 1.38; sanderson to Valentine eastward 1.11, westward 1.17; Valentine to El Paso eastward 1.19, westward 1.05.

The production of a water supply for locomotives, adequate in quantity and quality, is a very serious difficulty in this territory. Most of the supply comes from deep wells of small capacity and difficult to keep in the continuous operation necessary to maintain the supply. Tank car supply is frequently resorted to in emergencies (Tr. 4829).

This entire section of the country (by which I mean the whole territory included in the three groups already described, everything in Exhibit A-110) is also subject to heavy expenditures on account of grade separations, grade crossing protection, etc., due to increased number of automobiles in service. During the past four years these lines have installed 28 grade separations, involving a heavy capital expenditure. On account of public highway improvements, no doubt, these separations within the next few [fol. 575] years will be greatly increased. At Beaumont, Texas, plans have been perfected to separate grades through the entire business part of the city traversed by these lines, which will involve an estimated expenditure of $1,450,000.00, the proportion to be borne by the Southern Pacific Lines being approximately $1,155,000.00. Contract has already been executed by the Railroad and the City covering this improvement. While the city of Beaumont has indicated its unwillingness to go ahead with the work covered by this contract, it seems to be its purpose to endeavor to compel the Southern Pacific Lines to carry out this work at their own sole expense. In the city of Dallas we have just completed a Belt line in order to divert the movement of rail traffic around the city instead of through it, at a cost of approximately $2,000,000.00. The city of Dallas for some time has been insistent upon this line change in order to avoid traffic congestion on busy streets. In the city of El Paso, Texas, a grade separation project through the entire business part of the city is being agitated. Plans have not yet been perfected but the im-

provements will mean an expenditure of many thousands of dollars by the Southern Pacific Lines.

The extraordinary conditions applicable to these lines, as previously enumerated, necessitate, as before stated, an unusually heavy annual expenditure for roadway maintenance. It would make the record too voluminous to go into detail with respect to the burdensome and unusual maintenance expense thrust upon us by conditions which I have undertaken to describe in a general way. However, in order that a reasonable idea may be formed as to extent these conditions affect our maintenance costs, I will state that on the Southern Pacific Lines in Texas and Louisiana, [fol. 576] during 1922, 1923 and 1924, the ratio of maintenance of way expense to total railway operating expenses averaged 23.53 per cent, and the ratio of maintenance of way expenses to total railway operating revenues averaged 19.39 per cent, whereas the ratios of maintenance expenses to total operating expenses, and maintenance of way expenses to total operating revenues on all of the Western Trunk Lines combined, during the same period, averaged 17.1 per cent and 13.61 per cent respectively (Tr. 4830-4831).

The 17.1 per cent for the Western Trunk Lines should be compared with 23.53 per cent for the Southern Pacific Lines. By Western Trunk Lines I mean the Western Trunk Lines involved in this controversy and listed. These figures indicate quite clearly that our difficulties with respect to roadway maintenance are much more severe than on the Western Trunk Lines involved in this controversy. There are many transportation difficulties with which we are confronted that tend to make operating expenses on these lines unusually burdensome. One of these difficulties lies in the large amount of branch lines operated. Of the total mileage operated by the Southern Pacific Lines in Texas and Louisiana 58.83 per cent represents branch line mileage. Of course it goes without saying that the cost of operating branch lines is much more expensive than main lines. That per centage 57.83 refers to the whole mileage of the branch lines (Tr. 4831-4832).

Unfortunately on a number of these branch lines we are compelled to maintain more service than the business war-

rants, which is a continuous and burdensome drain on our income. Again, the flood conditions prevailing throughout the country contiguous to these lines, as previously explained, are not only very damaging from a viewpoint of track upkeep, but the consequent train detention, in con- [fol. 577] junction with the temporary and sometimes permanent loss of traffic routings, very adversely affects our net operating results. The grades on certain parts of the Texas Lines, which also have been touched upon, largely contribute to our operating difficulties. It will be observed from profile map, Exhibit A-111, that at Glidden, which is located at Mile Post 88 on the New Orleans-El Paso line, (you will find that on Sheet 3) we strike the hill country. From Glidden west to El Paso operations are expensive on account of grade conditions and consequent limited train loading. The grade conditions applicable to this section also apply to the Houston-Shreveport line and Austin-Llano line, and to a lesser degree to certain parts of the Central lines between Hempstead and Denison, and Bremond and Waco.

The adverse conditions referred to, coupled with light traffic density as compared with the Western Trunk Lines, make it necessary for us to exercise unusual diligence in order to perform service at the least possible cost. In order to increase our train loading we have, insofar as available funds will permit, increased from time to time the capacity of our locomotives.

Since 1912 the average tractive effort of switch engines has been increased from 22,244 pounds to 25,740 pounds on December 31, 1925, an average increase of 15.7 per cent. In 1912 the average tractive effort of passenger locomotives was 18,573 pounds while on December 31, 1925, the average was 25,001 pounds, an increase of 34.6 per cent. The average tractive effort of freight locomotives has been increased from 28,329 pounds in 1912 to 37,181 pounds in 1925, an increase of 31.2 per cent (Tr. 4832-4833).

We have also actively followed up work of equipping locomotives with superheaters. With only fifteen freight [fol. 578] locomotives equipped with superheaters in 1912, on December 31, 1925, we had 261 locomotives so equipped, or 70.35 per cent of number owned. We now have eighty-

five or 63 per cent of our passenger locomotives equipped with superheaters. Since the advent of feed water heaters, locomotives are being equipped with this device as rapidly as possible. At the close of 1925 we had 28 passenger and 29 freight engines so equipped. This device is designed to promote fuel economy by use of exhaust steam from the locomotive to heat the boiler feed water before it is placed in the boiler.

With the gradually increasing tractive effort of our locomotives, in connection with such grade reductions as our finances have permitted us to make, we have brought about a substantial increase in our average train loading. Our freight train loading averaged in 1906, 805 gross tons per train; 1912, 948 gross tons per train; 1916, 1,050 gross tons per train; 1918, 1,158 gross tons per train; 1921, 1,236 gross tons per train; 1922, 1,268 gross tons per train; 1923, 1,344 gross tons per train; 1924, 1,391 gross tons per train; 1925, 1,382 gross tons per train. In 1925 our train loading, as compared with 1912, shows an increase of 45.8 per cent, which is considerably in excess of the increased tractive effort per locomotive in 1925 as compared with 1912. The slight decrease in 1925 train loading, as compared with 1924, was occasioned by absorption of the S. A. & A. P. lines in 1925. Locomotives in service on that line are of small tractive effort.

We have in the past few years brought about a gradual increase in average speed of freight trains. In 1920 the speed of freight trains averaged 11.3 miles per hour, in 1921 11.9 miles per hour, in 1922 12 miles per hour, in 1923 12.2 miles per hour, 1924 12.6 miles per hour, and for the twelve months ended December 31, 1925, 13.3 miles per hour (Tr. 4834-4835).

[fol. 579] Our gross tons per train hour has also shown a gradual increase. In 1920 gross tons per train hour on the Southern Pacific Lines averaged 14.039; for the twelve months period ended December 31, 1925, the average was 17,423—an increase of 24 per cent.

On emerging from federal control these lines found a very bad condition with respect to car supply and interchange. Notwithstanding the fact that the equipment pro-

gram for previous years had provided a number of cars sufficient to take care of the average traffic, it was found that car balances were running heavily against us and an extensive campaign for improving the movement and reducing payments was inaugurated. At the close of 1920 we had a debit per diem balance amounting to $1,482,601.00; the debit balance at the close of 1921 was $1,094,599.00; in 1922 the debit balance was reduced to $111,164.00. In 1924 our foreign car mileage averaged 40.5 miles per day and our per diem balance showed an earning of $5,335.00 during the year instead of a heavy debit balance as in previous years. While a portion of this per diem saving may be accounted for by addition to our equipment, the fact that it is largely due to more efficient handling is demonstrated by the car mileage figures, which show 62.6 per cent improvement in the mileage of foreign cars during 1924 as compared with 1920 (Tr. 4835-4836).

Special efforts have also been made to bring about an improvement in car loading and a consequent reduction in the dead weight for which no compensation is received. This, however, is an item which is largely beyond the control of the carriers. The improved transportation service in recent years has encouraged consignees to order in smaller lots which has largely nullified our efforts to provide for heavier loads through the construction of cars of greater capacity. And I might say that the expeditious [fol. 580] transportation has also to a large extent nullified the necessity of large wholesale concerns carrying heavy stocks which they formerly carried. It is a matter of considerable importance to them and means a considerable expense to the carrier. Our car loading for 1924 as compared with 1920 shows a reduction of 0.3 tons per car. This is probably not a fair comparison as the 1920 performance received the benefit of the intensive program which was made effective during the war and which continued for a couple of years thereafter. In 1921 our average load had dropped to 21.4 tons per car. There has been a slight improvement each year since, the figures being as follows: 1922, 22.2 tons; 1923, 23.1 tons; 1924, 23.8 tons (Tr. 4836-4837).

Another item of material importance in economical opertaions is the curtailment of loss and damage claims.

In 1920 these lines paid out in loss and damage claims $985,598.00 or 2.06 per cent of our gross freight revenues. In order to curtail this glaring loss a department of Claim Prevention was organized and a systematic campaign for the reduction of claims inaugurated, with the result that during the year 1924 our claim payments amounted to .74 per cent of gross freight earnings; and during the year 1925 our claim payments averaged only .64 per cent of gross freight revenues.

In January, 1921, the Southern Pacific Lines revised their method of handling fuel economy, creating a Fuel Conservation Bureau with a Fuel Supervisor in charge, reporting direct to the Vice Presidents and General Managers. The Fuel Supervisor has general direction of and is responsible for all fuel conservation activities. His duties require him to attend all division fuel conservation [fol. 581] meetings, check fuel consumption, fuel issues and fuel measurements, and devote a substantial part of his time to creating and maintaining interest in this subject, with a spirit of rivalry, among the various employees. The Fuel Conservation Bureau prepares statistics, analyses fuel daat and directs the many ways that good practice and experience has demonstrated is conducive to fuel conservation. On each division is a fuel committee, with the Superintendent as Chairman, which meets bi-monthly. The committee is composed of the Superintendent's staff, an engineer and a fireman each in freight, passenger and yard service, one conductor and one brakeman. With exception of the Superintendent and his staff, whose memberships are continuous, members serve for six months. Certain distinctions and premiums are given for the best performances, both individually and divisionally, which has a stimulating effect. This includes an annual trip to the International Railroad Fuel Association Convention to the engineer and fireman of each division making the best fuel record during the preceding year. Results accomplished during 1924, compared with years preceding the reorganization of the Fuel Bureau are satisfactory.

Safety Work. The safety work on Southern Pacific Lines was organized in 1912, when safety committees, representing all classes of employees, were selected and regular sessions held in shops and terminals and on the operating divi-

sions. On the inception of Federal control this important detail of operation was placed under a Superintendent of Safety, who, since that time, has personally supervised the work. The results have been very gratifying. In 1912, in train service, there was one reportable casualty for each 20,595 locomotive miles run. In industrial occupations in 1912 there was one reportable casualty for each 25.546 hours worked. In 1924, there was one reportable casualty in train service for each 61,371 locomotive miles run and [fol. 582] one reportable casualty in industrial occupations for each 83,571 man hours worked. For the year 1924, as compared with 1923, there was a reduction of 8 per cent in train service casualties, and a reduction of 35.5 per cent in the number of industrial casualties. The performance of our five main shops for 1924 was remarkable, in that there was a reduction of 275 or 67 per cent in the reportable injuries for the year. The shops at El Paso, employing approximately 1000 men, operated the entire year with but one reportable casualty, working 1,645,172 man hours. Further, this one shop has a record of but two reportable injuries in a period of twenty-five months. In 1912, there were 711 employe casualties in train service; in 1924, with the vastly increased operation, there were but 305 employe casualties; in 1912, there were 1624 reportable casualties to industrial employes; in 1924 therewere but 567. Total employes killed, 1920, 21; total employes killed, 1924, 14; total employes injured, 1920, 2155; total employes injured 1924, 868; total persons killed, 1920, 53; total persons killed, 1924, 74; total persons injured, 1920, 2292; total persons injured, 1924, 936. Included in these latter figures are trespassers and persons killed on grade crossings for whom we cannot accept responsibility. Notwithstanding these accidents are generally largely or solely due to the negligence of the parties sustaining injury, the courts of Texas almost invariably hold the railroad companies responsible for the results of the accident. Formerly the courts required parties going on railroad crossings to exercise some degree of care to avoid accidents, but in recent years there has been a complete change in the attitude of the Supreme Court with respect to such matters, notwithstanding there has been no legislation requiring or justifying such change (Tr. 4837-4838-4839-4840).

While the speeding up of our freight trains, heavier train [fol. 583] loading, savings in fuel consumption, reduction in loss and damage claims and casualty expenses generally, have brought about a very substantial decrease in our transportation expenses, our net income results, by reason of the unusual and uncontrollable conditions with which we have to contend as previously recited, have not been satisfactory, because we have not been able to earn the investment return permitted by the Transportation Act. In 1920 our net operating income shows a deficit of over $600,000.00; in 1921 the per cent of return on investment was 1.07. During the year ended December 31, 1922, per cent on return was 2.37; in 1923 2.55 per cent; in 1924, 3.96 per cent; in 1925, 3.62 per cent.

The prospects for the future are not especially encouraging because the operating difficulties which have been set forth are in a large degree fundamental and cannot be corrected. Hence we feel that if any adjustments of divisions are made, they should be in the direction of increasing rather than diminishing our earnings (Tr. 4840).

Exhibits A-110, A-111 and A-112 were prepared under my instruction and supervision and are correct according to my best knowledge and belief. Referring to that part of the line west of San Antonio, the yellow part of the line shown on Exhibit A-110, the line from San Antonio to Del Rio is to a large extent rather rough and rugged. While there is some dry farming, in the main it is a grazing country. The line from Del Rio to El Paso is a rocky, rough, semi-arid district and with the exception of a few spots, it is not susceptible to cultivation. On account of the ruggedness of the country I feel quite sure in the statement that irrigation projects are out of the question. Therefore the opportunities of that line ever developing into a productive railroad are very remote (Tr. 4841).

[fol. 584] Cross-examination:

The main line from Houston to San Antonio is as follows: Referring to Exhibit A-110 you see a curved line to the left and headed southward, and it crosses the green line, then westward to Rosenburg, Eagle Lake, where it again crosses the green line, through Columbus, Flatonia and into San Antonio. That is our primary main line. I will say,

however, that the green line which lies north of the S. A. & A. P. up to Eagle Lake, then south of the main line from Eagle Pass to El Campo and to Cuero then to San Antonio is also classed as a main line. As a matter of fact it is a branch line. The greater part of that was the main line of the S. A. & A. P. Our preferred route for traffic between San Antonio and Houston is the line that I first described. The main line from Houston to New Orleans is plain. It might be a little confusing in between Lafayette and New Iberia or rather between Midland and New Iberia. The main line is the one extending through Lafayette, or the north line. From Lafayette to Baton Rouge is branch line and also the line to Alexandria is a branch line. From Houston north to Shreveport is branch line. The green line from Houston through to Denison, that is, Houston, Hempstead, Navasota, and Mexia; now both of those lines are main lines there, by way of Hearne and by way of Jewett. Both main lines, up through Ennis, Garrett, Dallas and Denison, main lines. Now in regard to the line from Navasota to Mexia by way of Jewett, that is classed as a main line although there is very little service on it. In fact it is a branch line from the standpoint of service. We operate a train a day over there. The preferred line is through Hearne, Calvert and Bremond. It is a better grade line, but unfortunately the business has never developed for us to use that the full year around as a freight line (Tr. 4841-4842-4843).

[fol. 585] All of the operating expenses to which I have referred with respect to washing out the railroad and so forth, are costs of maintenance reflected in our reports of operating expenses made to the Commission. There are no figures that I have stated in so far as operating costs are concerned that cannot be obtained from the reports rendered to the Interstate Commerce Commission (Tr. 4844).

Exhibit A-111 is drawn to scale and grade percentages can be obtained (Tr. 4844).

I requested our Engineering Department to work up the precipitation data over a period that would be generally representative and I cannot specifically say whether the figures for the northern states are merely rainfall figures or total precipitation figures. I think the figures were secured from Government climatological reports (Tr. 4845).

Here Attorney Muckley agreed to furnish information showing whether the figures were merely rainfall figures or included total precipitation.

The Witness (continuing): I said that we had our operating difficulties, many of them were to a large extent fundamental and remain fixed. Of course we don't enjoy the traffic density in Texas and Louisiana that is enjoyed in Illinois and Iowa and according to my estimation we will probably none of us here ever see Texas developing like Iowa and Illinois and other states in that vicinity are now developing. There has been a development in Texas, there has been a development all over the country, there has been a development in Texas just the same as there has been development in Chicago, development in Birmingham, New York, St. Louis and other localities and my recollection is that the development features in the localities that I have mentioned in the past few years has been even [fol. 586] greater than in Texas and Louisiana. That is my belief. The development of Texas has been rather startling in certain localities, in the oil field districts mostly, around Wichita Falls, Texas, and on the Southern Pacific Line at Mexia, Texas, Wortham, Texas, and along the Gulf Coast in the vicinity of Orange. In connection with that development I want to call attention to the fact that the oil field development is very rapid but is not lasting. It has not been so on our railroad and I think that is the case of all other railroads. I am hopeful that these oil wells will flow on forever, but I am quite sure they won't the way they are playing out. Oh, I have a great deal of confidence in my government, the United States. I have a great deal of hope and belief in the prospects for Texas and the entire United States. I think we are forging forward but I am afraid that the middle states, particularly Illinois and Iowa and those states, while we may improve, they are going to continue to improve more rapidly than we are. I am speaking industrially and otherwise (Tr. 4745-4746-4747).

H. D. Earl was thereupon called as a witness and testified as follows:

Direct examination:

I am General Superintendent of the Texas and Pacific Railroad and have had about thirty years transportation experience. My experience qualifies my to testify concerning the physical and operating conditions on the Texas & Pacific (Tr. 4847-4848).

The Texas and Pacific was placed in the hands of a receiver on October 27, 1916 and removed on May 15, 1924. It has just emerged from receivership (Tr. 4848).

The profile of the Texas & Pacific is Exhibit A-113 and the physical characteristics of the Texas & Pacific A-114. The exhibits were prepared by the Engineering Department at my request and as far as I know they are correct (Tr. 4848-4849).

[fol. 587] The profile of the Texas & Pacific Railway was thereupon offered in evidence as Exhibit A-113 and the statement of the physical characteristics of the Texas & Pacific was thereupon offered in evidence as Exhibit A-114.

(The Exhibits A-113 and A-114 were received in evidence.)

[fol. 588] The operative mileage of the Texas & Pacific Railway is 1,466 main line and 487 branch line, total 1,953 miles. The main line over which the heaviest traffic is handled extends from Gouldsboro, Louisiana, to El Paso, Texas, a distance of 858 miles and from Texarkana, Arkansas-Texas, to Longview Junction, Texas, a distance of 90 miles. The gradient over which this heaviest traffic moves, begins at Gouldsboro, Louisiana, approximately five tenths of a foot above sea level and rises to the highest point about 4,600 feet above sea level. Because of the varying grades locomotives having a tractive effort of from 28,000 to 95,000 pounds are used to handle the traffic, the lighter ones being used in the lower grade districts. Our situation regarding characteristics of the line and maintenance requirements are similar to those of the Southern Pacific Lines in Louisiana. A large portion of our main line and branch lines in Louisiana serve dense sugar cane territory. This perishable crop consists of from 6,500 to 19,000 cars per year, moves from loading points to the refineries during a period of from two and a half to three months, October to

December inclusive, and requires a special service to handle. We have heretofore provided as many as 26 special crews and locomotives daily, a portion of the time, to handle this commodity and because of the low freight rate the expense of handling exceeds the revenue received. During the seasons 1919 to 1924 inclusive these losses were $173,041.73. Flood conditions in this territory have seriously affected our operations and are briefly referred to as follows: From April to July 1912 the expense of repairing the property caused by flood conditions, near Torras, Melville, Marksville and Edgard, Louisiana, was $555,220.00. As late as April and May, 1922, flood conditions on the Melville [fol. 589] Branch near Hamburg, necessitated protection of our main line near Melville at a cost of $45,917.00 (Tr. 4849-4850).

Dense fogs in the lower Louisiana territory have and are now seriously affecting the movement of both passenger and freight trains, it being necessary at times to hold freight trains at terminals for hours and to delay both passenger and freight trains on the road. The same conditions regarding flood situation have affected our Texas lines as follows: in August, 1920, near Warfield, Texas, a point 50 miles west of Big Springs, Texas, the expense of repairing property damage was $16,140.00 and train service seriously interrupted for several days. In April 1922 flood conditions between Abilene and Pecos, Texas, cost approximately $75,000.00. In April and May, 1924, on two different occasions, two weeks apart, unprecedented rainfalls damaged the property near Fordney, Texas, and between Dallas and Ft. Worth to the extent that it was necessary to spend $90,000.00 for immediate repairs and later, the track in these territories was raised and embankments widened at an expense of approximately $70,000.00. In July and August, 1925, near Kent, Texas, and east of Toyah, Texas, flood damage caused an expenditure of $15,000.00 and in November, 1925, between Marshall, Texas, and Longview, Texas, the flood damage approximated $12,000.00

In every instance the movement of passenger and freight trains have been seriously interrupted and has caused heavy extra expense detouring Texas & Pacific trains via other routes. We are continually attempting to overcome these

obstacles by expenditure of vast sums for raising grades, widening banks, protection levees and so forth. A resume of the results of operations for a period of nine years ended December 31, 1924, is as follows:

Conditions existing during the year 1916 predicted an [fol. 590] inevitable increase in price of practically everything entering into the cost of producing transportation, more vigorous methods of efficient and economical operation were adopted and subsequently improved upon to meet the situation then and as later existed directed to improved service and ability to meet requirements of the new traveling and shipping public, and the gradual increase in volume of freight traffic for movement which is evidenced by the summary of results obtained as indicated as follows: with light power and small trains being operated the number of trains required to handle the traffic offered exceeded the economical capacity of single track making it necessary to improve the roadway and tracks to accom-odate improved and heavier power. During the years 1916 to 1925 new 85 pound rail and ballast was required as follows: a total of 856 miles of ballast at an expense of $2,790,434.00, and 707 miles of new 85 pound rail applied at a cost of $3,150,-643.00. The lighter 75 pound rail released was used and relaid to improve the track where still lighter rail existed, aggregating 154.09 miles, at cost of $382,491.94. Bank widening and grade revision work has been prosecuted at cost of $322,713.65 (Tr. 4850-4851-4852).

With improved roadway conditions, larger and more modern power was purchased, increasing the loading of freight trains, thus reducing the number required. With the acquisition of larger power the lighter engines were set aside and retired with the total and average tractive power increasing much in excess of the units of power maintained. The units of power increasing only slightly more than 4 per cent, while total tractive power increased 65 per cent and average tractive power per locomotive increased 37 per cent 1916 compared with 1924, as indicated: [fol. 591] In 1916 there were 341 locomotives owned with a total tractive power of 8,721,757 pounds, or an average tractive power of 25,577 pounds per locomotive. In 1921 there were 377 engines owned with a total tractive power of 12,146,565 pounds or an average of 32,219 pounds per

locomotive. In 1924 there were 355 engines owned with a total tractive power of 12,433,201 pounds, or an average of 35,023 pounds per engine. During this period 49 freight locomotives were purchased at total cost of $2,572,120.00 and 22 switching locomotives at cost of $747,086.00, or total of 71 locomotives aggregating cost of $3,319,206.00. The average gross tons handled per freight train mile increased from 877 during 1916 to 1211 during 1921 and 1359 during 1924, or increase of approximately 55 per cent 1924 over 1916, at the same time total train miles decreased from 5,115,562 during 1916 to 3,521,960 during 1924, or 45 per cent while total gross ton miles increased from 4,484,350 during 1916 to 4,787,805 during 1924, or approximately 7 per cent. The gross ton miles increased 7 per cent from 1916 to 1924. With improved track conditions speed was increased, unit of fuel consumption decreased and gross and net tons per freight train mile increased as follows: speed, miles per hour, in 1916 was 11.5, 1921 11.1, 1924, 12.3. Gross tons per freight train hour in 1916 were 9,937, 12,125 in 1921 and 13,528 in 1924. Net tons per freight train hour in 1916 3,807, 1921 5,090, 1924 6,629 (Tr. 4852-4853-4854).

1924 compared with 1916 speed increased 7 per cent, unit fuel consumption decreased 29 per cent, gross tons per hour increased 36 per cent and net tons per hour increased 74 per cent.

Enhanced efficiency in operating our freight trains during 1924 compared with 1921 and 1916 is indicated in the following averages for those years: average loaded cars per [fol. 592] train, 1916 17.0, 1921 21.0, 1924 24.0; average empty cars per train, 1916 6.8, 1921 13.6, 1924 14.0; average cars per train, 1916 23.8, 1921 34.6, 1924 38.0; gross tons per train, 1916 877, 1921 1,211, 1924 1,359; average net tons per train, 1916, 335, 1921 466, 1924 517; speed per hour, 1916, 11.5, 1921 11.1, 1924 12.3; average net tons per loaded car, 1916 19.8, 1921 22.0, 1924 22.4; gross tons per train hour, 1916 9,937, 1921 12,125, 1924 13,529; average net tons per train hour, 1916 3,807, 1921 5,090, 1924 6,629.

If the average gross tons handled per freight train mile in 1916 had obtained in 1924 1,937,338 additional train miles would have been required, entailing an additional expenditure for locomotive repairs, enginehouse expense, wages of

train and engine crews, fuel and train supplies and expenses of $3,184,984 (Tr. 4854).

Increased prices of fuel, materials and supplies, wages of persons engaged in repairing and caring for equipment, train and enginemen, together with punitive overtime payment increased the average cost per mile to operate freight trains, which was 78.79 cents in 1916 compared with 172.0 cents in 1921, an increase of 93.21 cents, or 118 per cent, and 164.4 cents in 1924, an increase of 85.61 cents or 108 per cent, whereas, by heavier loading of trains the cost per one thousand gross ton miles in 1916 was 88.43 cents compared with 145.4 cents in 1921 and 125.4 cents in 1924, or an increase of only 64 per cent 1921 and increase of only 42 per cent in 1924. Locomotive maintenance per mile in 1916 was 12.1 cents and in 1924 30.8 cents, increase of 18.08 cents or 149 per cent, and average cost fuel oil per gallon 1916 was 1.62 cents compared with 2.33 cents in 1924, increase of .71 cents or 43 per cent.

[fol. 593] Improved track conditions permitting increased speed, heavier train loading and program for superheating the large locomotives contributed materially to the better fuel performance. To satisfactorily handle the traffic offered and provide equipment to meet our own requirements, the following freight and company material cars were purchased since 1916: 300 cars of ballast, steel underframe, at a cost of $782,900.00, 310 cars tank, all steel, at a cost of $791,260.00, 1,000 cars autobox, steel underframe, at a cost of $2,016,000.00, 1,000 automobile cars, steel underframe, at a cost of $2,139,000.00, or a total of 2,610 cars at a cost of $5,729,160.00. In addition 7 units of work equipment, 4 pile drivers, 2 steam wrecking cranes and 1 ditching machine, all of the latest improved design, were purchased at aggregate cost of $151,120.00, necessary for handling the heavier equipment operated. To accomodate the larger trains 21.62 miles of additional passing tracks have been constructed at cost of $432,691.14, providing 28 additional facilities and 76 existing passing tracks were extended, total of 20.78 miles, at cost of $373,095.89 (Tr. 4855-4856).

Due to steadily increasing cost of coal, oil has been substituted for fuel, the conversion of 266 locomotives being required, further, to effect the utmost economy, stationary

boilers have been converted to use different fuels as the local conditions justified and would result in less cost for the fuel consumed.

A program was started in 1916 to rebuild and modernize freight train cars equipped with steel draft arms, modern draft gear and in every way brought up to the best standard. Extensive enlargement of shops and roundhouse facilities have been made, larger turntables installed, new [fol. 594] improved design shop machines installed to economically and efficiently maintain the larger locomotives operated.

Locomotive failures year 1916 were 1,098, compared with 356 in 1921 and only 296 in 1924, a decrease of 802 failures in 1924 over 1916, or nearly 73 per cent. The improved locomotive performance, more speed and other attending operating conditions permitted less interrupted movement, miles per car per day being 26.9 in 1916; 26.2 in 1921 and 28.0 in 1924, an increase 1916 to 1924 of 1.1 miles per car per day, or 4 per cent (Tr. 4856-4857).

Expenditures for maintenance of equipment 1916 to 1924 increased from $3,142,607.00 to $6,471,081.00, or more than 105 per cent, although only 23 per cent more man hours were employed, indicating the increased cost of wages, prices of materials and supplies more than made up the difference. Expenditures for maintenance of way and structures increased from $2,109,951.00 to $4,841,083.00 or 129 per cent, notwithstanding only 2 per cent more man hours were employed. Increased wages and prices of materials and supplies more than making up the difference.

The standard of maintenance of the tracks has been greatly improved, bridges strengthened to increased capacity to safely carry the larger and heavier trains, hundreds of pile trestle bridges replaced with permanent concrete waterways, diminishing future maintenance expense, tie plates and treated ties applied in addition to many other general improvements all directed to ultimate economy and safety.

Yearly expenditures for Additions and Betterments increased from $1,418,284.00 in 1916 to $4,086,516.00 in 1924, or 188 per cent. The total net expenditure for improvement [fol. 595] being $27,433,331.00. The saving in conducting transportation through greater train loading, pointed out

in the foregoing, amply warranted these expenditures, although part of the improvements have no direct bearing on train loading.

Ratio of expense for conducting transportation to operating revenue for 1916 was 37.60, while for 1921 it was 38.70 and for 1924 it was 34.30; and while operating revenue increased 62 per cent 1924 compared with 1916, operating expenses increased only 48 per cent, indicating efficiency and economy in operation, taking into consideration the very heavy expense chargeable to operation incident to the extensive improvement work done.

During the years 1917, 1920 and 1923, four interlocking plants were installed at cost of $10,438.21, and seven similar facilities now under construction or authorized at cost of $68,204.84. During 1923 and 1924 automatic signals at draw-bridges were installed at cost of $18,440.64. Construction of new terminals now in progress, as follows: at Dallas, Texas, expense of $989,019.00; Shreveport, Louisiana, $1,050,745.00; Alexandria, Louisiana, $540,000.00; or a total of $2,579,764.00. Increased efficiency and saving in operation is being steadily realized from the expenditures for additions and betterments to road and equipment. The cost of $10,438.21 referred to was the total cost for the four interlockers (Tr. 4857-4858).

Freight revenue and ratio payments to revenue have shown an improvement in recent years. I might explain about those interlockers, there are several of them that were converted from a manual plant to what is known as cabin top plants and the expense was not as great as the new interlocker plants (Tr. 4859).

Cross-examination:

The main line between Ft. Smith and Texarkana is the [fol. 596] line from Longview to Texarkana which runs through Mineola and Longview. The other line is classified as a branch line from Shreveport. The main line from New Orleans is the line via Lucas. Of the total mileage of the Texas & Pacific, 1466 miles is main line mileage and the balance is branch line (Tr. 4859-4860).

The losses sustained in the rates on sugar are not rates which apply to the transportation of the cane to the mill. Those are the local rates of the Texas & Pacific (Tr. 4860).

The transformation of our locomotives from coal burners to oil burners produced economy and efficiency in operation to some extent. The burning of oil is more economical at this time than burning coal, but it is getting very close to the dividing point. We are contemplating changing back to coal now because of the increased price of oil (Tr. 4860-4861).

W. M. WHITTENTON was thereupon called as a witness and testified as follows:

Direct examination:

I am operating Vice President of the Missouri-Kansas-Texas Lines, residence Dallas, Texas.

(Attorney Towner here conceded the witness' qualifications.) (Tr. 4861.)

The Witness (continuing): I have prepared a statement of facts which in my judgment show the Missouri-Kansas-Texas Lines are being efficiently and economically operated. The M. K. T. Lines now operate 3,193 miles of main and branch line, main track, of which approximately 230 miles is used under trackage arrangement. Yard and side track mileage owned and operated 1,327. Some of the more important and larger cities reached by our lines are Saint Louis, Kansas City, Sedalia, Coffeyville, Oklahoma City, Tulsa, Muskogee, Dallas, Fort Worth, Wichita Falls, Waco, Houston, Galveston, Austin and San Antonio. The M.-K.-T. Lines cover a considerable part of the territory [fol. 597] known as the Southwest and was one of the pioneer lines in this territory. The Southwest is still very thinly populated and subject to much future development. This is indicated by the fact that it is taken care of in a transportation way largely by single track lines. The M.-K.-T. lines second track mileage is less than 74 miles (Tr. 4861-4862).

For the fiscal year ending December 31st, 1916, the gross earnings of the M.-K.-T. Lines as then constituted (average miles operated that year being 3,865) was freight $24,795,719.00, passenger $9,215,627.00, mail $783,676.00, express $1,055,446.00, miscellaneous $883,214.00, making a

total of gross earnings from operation of $36,733,682.00. In 1924 the gross earnings were—freight $42,332,000.00, passenger $10,457,000.00, mail $1,190,000.00, express $1,828,000.00, miscellaneous $1,502,000.00, total $57,309,000.00. This is an average mileage of 3,193 miles. The M.-K.-T. Lines freight tonnage comes largely from manufactures and miscellaneous, this division represents 39.46 per cent of the total tonnage as compared to 19.32 per cent for 1916; products of agriculture supplies 20.03 as compared with 22.04 per cent in 1916; products of animals 4.78 per cent compared with 4.97 per cent in 1916; products of mines 26.88 per cent compared with 40.73 in 1916; products of forests 4.79 per cent compared with 7.57 per cent in 1916, and L. C. L. merchandise 4.06 per cent as compared with 5.37 per cent in 1916. The revenue train load in 1916 was 337.87 tons, and in 1924 573. The passenger service is another story—In 1916 these lines carried 6,604,249 passengers as compared with 3,041,445 passengers in 1924. The average haul per passenger in 1916 was 62.68 miles while in 1924 it was 102.45, showing the loss of short haul traffic. In 1916 passenger train mileage was 8,029,479 miles, while in 1924 it was 6,202,816—a much larger percentage of decrease in passengers carried than in trains run (Tr. 4862-4863).

[fol. 598] The physical condition of Missouri-Kansas-Texas Lines property today is improved over what it was some ten years ago when it was placed in Receivership, on September 27th, 1915, and so operated until April 1st, 1923. The freight train performances, that is train load, train speed and per cent of power rating utilized, have been climbing upward and the operating expense ratios to revenues downward. The gross train load for 1925 over 1918 was increased 54 per cent, the speed increased 17 per cent, with an increased per cent of rating utilized of 68 per cent for 1918 to 85 per cent for 1925, or an increase of 25 per cent. If the train load of 1918 had prevailed, it would have required the use of 2,757,863 more freight train miles to have handled 1925 freight traffic. No statistics were made of train speed and per cent of power utilized prior to year 1918. The train load for the year 1924 was 71 per cent heavier than for the year 1916; the revenue ton miles carried in 1924 compared with 1916 increased 27 per cent,

while freight train miles decreased 25 per cent, which is largely reflected in the operating ratios for the two years. In 1916 the operating expenses used 80.14 per cent of the revenues, and for 1924, 69.33 per cent. The transportation ratio for 1916 used 33.74 per cent of gross, compared with 30.30 in 1924. The M.-K.-T. Lines stood in seventh place of all Class One Railroads in rank in transportation showing. I mean all Class 1 roads of the country (Tr. 4863-4864).

These economies in operation did not happen or come about from any abnormal or influx of traffic, but were brought about by the close cooperation and hard work of some 15,000 officers and employes working to reach a common goal and by the use of nearly fifty million dollars spent for rehabilitating and strengthening roadway, extension of block signal territory, better water facilities, terminal re-[fol. 599] vision, heavier power and tools and facilities to repair it, fewer accidents, lower claim payments and the use of much modern appliances as have been proven practical. For permanent way and structures, the expenditure for improvements for the nine years, 1916 to 1924 inclusive, amounted to $29,390,775.00. At the beginning of the Receivership in 1915, more than half of main track mileage in main and branch lines was made up of 66 pound rail and rail of lesser weight, and a third of the mileage was unballasted; for the most part laid with untreated cross ties not tie-plated. The rail situation, and other roadway conditions then existing, made it necessary during the succeeding nine years to adopt extensive programs in annual budgets for putting down heavier rail, new ballast, tile drainage, bank widening, replacing pile trestles with permanent structures and strengthening others, line revision and use of treated ties. The mileage of 90 pound rail was increased 572 miles and the light rail territory was reduced 508 miles; approximately 500 miles of unballasted track was ballasted and the ballasted track has been maintained in an improved condition. Yearly tie renewals averaged 1,122,565 ties, or approximately 380 ties per main line mile—all treated and tie-plated. In 1916 the aggregate mileage of pile trestles then existing was 60 miles, which was reduced to 35 miles in 1924 (Tr. 4864-4865).

For line revision at various points we have spent $232,717.00. Block signal territory has been increased from 116 miles in 1916 to 457 in 1924, and new installation of 45 water treating plants and 35 fuel oil stations. Side tracks have been extended and new ones constructed amounting to an aggregate of 290 miles. These improvements have made it possible to increase the weight of power and length of train, which have played an important part in the present day train performance (Tr. 4865).

[fols. 600 & 600½] Terminal expansion, yard revisions and better freight station facilities were early recognized by the Receiver as some of the most needed improvements for properly and economically handling the freight traffic, and this work has been carried forward from year to year. Of the $29,390,775.00, there was spent for terminal improvements during the nine year period $11,159,000.00, and a saving in operating expenses has resulted, which for the year 1924 amounted to $833,800.00. Among the terminals that have been extended or relocated are the following: New Franklin and Lindale, Missouri; Parsons, Kansas; Muskogee, McAlester and Oklahoma City, Oklahoma; Denison, San Antonio and Dallas, Texas. There have been five modern freight depots built at various points, and a seven story warehouse building constructed at Dallas, Texas. The terminal facilities at San Antonio cost more than two million dollars; a complete yard rearrangement was made at Parsons, Kansas, giving a better facility for handling the classification and other terminal work, and at a lower cost. The lines from Oklahoma City, from Junction City, and from Joplin, from Kansas City, from Denison and from St. Louis converge at Parsons, making it one of the more important terminals. At Ray, Texas, near Denison, at an expenditure of more than three million dollars there was built and put in operation in 1923 a new freight yard terminal, also engine terminal and accessories. This is the most important terminal on the railroad and the old plant was entirely inadequate to handle the business. The business moves in four directions in and out of Ray, that is over the line to Dallas, to Fort Worth, to Wichita Falls and to McAlester. In a sense, Ray is the neck of the bottle and geographically about the half-way point. In planning the

new yard, we undertook to provide an up-to-date facility [fol. 601] and have not been disappointed in the results because we have been able to cut our costs down and lighten the burden at other terminals. Other terminals are permitted to start trains in the direction of Ray without regard to order in which cars are placed in train; Ray does the blocking or classifying, as well as all the weighing possible because automatic scales have been located below the summit of the hump and no extra move is necessary to do the weighing. Trains are started from Ray terminals in all directions, blocked in the order desired, with all cars weighed, hence very little, if any, handling or separation is required at other terminals of the through traffic. It is our purpose to have all general classification possible made in Ray Yard, where the switching is done economically, and for trains to leave there in proper order. Cars are pushed from receiving yard over hump and moved by gravity, accompanied by rider, to proper track in classification yard from which trains depart; separate humps are provided for each receiving yard. Engines are dispatched to and from enginehouse and move without interference between enginehouse and receiving and departure yards. Caring for power had proper consideration and modern enginehouse layouts were provided in the terminal revision programs (Tr. 4866-4867).

For new equipment and improved appliances in the Locomotive and Car Departments, the expenditure for the nine year period was $17,929,300.00. The improvements to permanent way and structures, lengthening side tracks and yard revisions, has made possible, with safety and economy, the use of heavier switching and road locomotives. The average tractive power for freight engines owned in 1916 was 36,249 pounds, in 1924 an average of 45,836 pounds. This came about by the purchase of 85 additional [fol. 602] Mikado type freight engines and thirty eight-wheel standard switchers of 51,000 tractive power, and by retirement of engines too light or for other causes unfit for conversion to switch power or other service. There were also purchased 25 Pacific type passenger engines. We use a Mikado type locomotive of 61,000 tractive power in our main line freight service and about 90 of those engines

are now equipped with a booster which increases their tractive power to about 73,000 pounds. These and all of our modern power are superheated and equipped with modern appliances. We had in 1924, forty freight locomotives of the Mikado type equipped with booster, and in 1925 we had sixty equipped and assigned to selected territory where the grades or other conditions theretofore required doubling, pusher service or cutting down the train load. We have dispensed with the doubling or pusher service and have maintained a better average train load with the use of the booster, and are extending its use wherever economy will result (Tr. 4868).

In 1919 and 1920 the price of coal, and availability of oil at a satisfactory price, made it essential to convert all of our engines from coal to oil except on the St. Louis District. In 1924 we had 529 locomotives in oil out of a total of 592 owned, while in 1916 we had but six in oil. The total engines superheated in 1924 were 389, and in 1916 only 179. In 1924 327 equipped with modern valve gear and other appliances and in 1916, 184.

Our general overhauling or classified repair work is taken care of in our two principal shops located at Parsons and at Ballmead near Waco, Texas. We operate in six directions out of Parsons and in four out of Waco, hence it will be seen that these plants are well located. The Locomotive Shop at Bellmead was put in operation in 1923 [fol. 603] at a cost of approximately $2,000,000.00; and a Freight Car Shop at Denison at an approximate cost of $500,000.00 was put in service in 1925. Modern machines and up-to-date power plants have been installed at Parsons, Bellmead, Denison and Ray. In addition, there has been expended in the past five years better than $800,000.00 in modern machines for roundhouses and outside engine terminals, in order that motive power and cars can be properly and economically repaired (Tr. 4869).

We have improved the locomotive mileage between shoppings and engine failures. In 1916 the miles between shoppings averaged 40,372, and in 1924 averaged 64,284 miles: in 1916 the average miles per engine failure were 12,500, and in 1924 54,495, or a better performance by 340 per cent. The number of freight cars owned in 1916 was

23,708, of which 15,712 had wooden underframes; the average capacity was 66,981 pounds; in 1925 the ownership was 21,749 and only 2,148 wooden cars—average capacity 72,604 pounds. In 1925 we purchased 1,000 new 40 foot, 50 ton steel underframe box cars and rebuilt in our own shops 2,100 box cars (Tr. 4869-4870).

The amounts totaling $47,320,076.00 for improvement projects, which I have in part described on our own property, do not include any part of the millions of dollars expended by proprietary lines for improvements during the nine year period upon which Missouri-Kansas-Texas Lines pay an annual interest rental rate for improvements to jointly operated tracks, freight terminals and passenger stations. We enter St. Louis over the C. B. & Q., coming onto its rails at Machens—a distance of 25 miles out. We enter Kansas City over Frisco rails coming onto its rails at Paola—this distance is 41 miles, and during the past nine years a second main track has been laid at a cost of more [fol. 604] than a million dollars on the Paola-Kansas City line. The joint line between Whitesboro and Fort Worth, 71 miles in length owned by Texas & Pacific, had extensive improvements made to it during M.-K.-T. Receivership period. We use 30 miles of main track of I.-G. N. between Austin and San Marcos, Texas, and during past nine years this property has been completely relaid with new rail, reballasted and extensive bridge renewals made. The Kansas City Terminal Company, of which the M.-K.-T. Lines is a tenant, has expended millions of dollars for grade separation and other necessary improvements upon which we pay an interest rental. While none of this money is involved in our own capital expenditures, there is interest rental to pay on the funds advanced by the proprietary company—we pay for such improvements, only in a different form of bookkeeping. In all of these arrangements, except the Kansas City Terminal, we are the only other user and share a joint and equal obligation with the owner of cost of improvement work by paying interest on the whole cost at the current rate, divided by two, in effect at time of execution of agreement. The line between Houston and Galveston is operated by the Galveston-Houston and Henderson Railroad Company equally for the I.-G. N. and M.-K.-T. The

G. H. & H. carries its own capital expenditures and no part of the improvement on the 50 miles of main track between Houston and Galveston and to the large terminals at Galveston was included in the $47,320,076.00, which I have stated was spent on M.-K.-T. property (Tr. 4870-4871).

I will only make brief reference to some of the extraordinary measures adopted, that is, movements which a few years back were unknown in railroad practice and now in effect on our lines, looking towards economies in operation. [fol. 605] Among these, is an apprentice school in our shops at Parsons and Waco for training young men in the arts of skilled mechanics' trades. The training of young men in roadway work is another educational program—these young men are placed as student foremen and are given the advantage of schooling under a number of experienced foremen on the district (Tr. 4871-4872).

A Committee on Conservation of Material, Labor and Supplies has proven a capital money saver. The personnel is made up of district representatives with a member from General Manager's staff, and are given a free lance in offering suggestions and recommendations. No department excapes the vigilance of these economy workers. Only a few days ago a Committee visited my office at Dallas for the purpose of checking it up.

Our Safety work is carried on along defined lines. Persons killed decreased one-half in 1924 compared with 1916. Extra hazardous practices by men in the ranks existing a few years ago have been greatly reduced for there is a Safety Committee man at his elbow now giving a word of caution. In the past five years, since the Safety Organization started its work, we have more than trebled our crossing bell installations, doubled the number of interlocking plants at crossings, both for safety and economy, and have put in such devices around machines in our shops as have proven of value in the interest of safety. Warning signs have been put up everywhere it was felt good would result (Tr. 4872).

Our Freight Claim Prevention Organization is active and justifies its existence in constructive work. Our 1924 claim ratio was .91 per cent. We expect to prevent claims by educating the employee in the ranks to follow up-to-date

practices in carrying on his work, and in that way prevent injury and wa-te.

[fol. 606] The Fuel Department specializes in the economy feature. In 1918 the average pounds of coal per 1,000 gross ton miles was 218, and in 1924 the average pounds of coal per 1,000 gross ton miles decreased to 135 pounds, making a 40 per cent reduction. No unusual practice or device contributed to this saving. We select capable traveling men and require them to see that enginemen do their firing and engine handling according to approved fuel economy practices and to see that proper regard is given to the fuel matter at roundhouses when engines are standing edle. Both our freight and passenger engines are running over much longer territories than they were in 1918 and fewer roundhouse handlings are necessary. This has contributed to fuel savings, also a better failure performance has halped the fuel showing. This important and major item of railroad operating expense has the serious and constant consideration of our executives, as well as all operating officials. Our President, some time ago, posted an award offered to the inventor of a practical device that would cut down the loss of heat units in burning oil (Tr. 4873).

We use the telephone for train dispatching over a distance of 2,250 miles, and have a system conversation telephone circuit with reduced expense for telegraphing. I believe it is generally well known that Train Dispatchers are able to handle more territory by use of telephone instead of Morse.

We own and operate a treating plant and treat our own ties and other timber at a lower cost than would be charged for having it done on the outside.

It has been our practice to periodically secure a Westinghouse Dynamometer Car for use in measuring efficiency of locomotive operation, train load, and for study of gradients. One of these cars was last on our line for several [fol. 607] months in 1924. I cite this merely to illustrate that we have availed ourselves of the use of such modern devices for studying railroad operation and economies as have been proven practical, which, however, is only typical of the policy adopted by other railroads in this territory.

These are the major items which brought about the average train load of 1,857 tons gross in 1925, as compared

with 980 tons gross in 1916, and an operating ratio of 69.33 and a transportation ratio of 30.30 in 1924, as compared with an operating ratio of 80.14 and transportation ratio of 33.74 in 1916—notwithstanding very great increases in all labor and material costs as between the two periods (Tr. 4874).

While mentioning this decrease that we have, by various economies, been able to effect in our operating ratio 1924 compared with 1916, it should be explained that operating expenses, as here stated, do not include taxes which the M.-K.-T. Lines have had to pay and which have had to come out of its income. They have greatly increased in this period, being $1,546,659.00 in 1916 and $3,215,687.00 in 1924, or an increase of 107.9 per cent. The gross revenue in 1924 per mile of road operated was only 89 per cent more than in 1916, but the taxes per mile of road owned were 153 per cent more.

While we have made substantial improvements with resulting substantial economies, it should also be pointed out that the owners of the property have not during any of this time been able to secure a dividend except that small amount paid in 1924 on preferred stock, which, of course, bears a prescribed rate. If progress is to continue, further economies demand and require the expenditure of large sums of [fol. 608] money in the future, otherwise, the property will not keep pace with the development of the Southwest. Much remains to be done in terminal expansion, yard revision and providing better roundhouse facilities at a number of important points, which include St. Louis, Kansas City, Waco, Smithville and Houston. These improvements will require the expenditure of several millions of dollars to create proper and adequate facilities for efficiently and economically serving the public (Tr. 4875).

Some of the secondary lines, including the Texas Central property, Waco to Rotan, and the Junction City line from Parsons to Junction City, Kansas, now entering a greater period of development, will require an annual expenditure aggregating several hundred thousand dollars to improve their present physical condition, and this must go on from year to year until these secondary lines are made physically better railroads.

One hundred miles of heavy rail must be laid each year in the main line—the released rail going to secondary lines. There also remains many miles of side and passing tracks yet to be constructed.

A period of five to seven years longer will be required to complete the bridge program for changing out wooden and light steel structures—this work will call for an expenditure of two to three million dollars to bring about its final consummation. Very little has, as yet, been done in the way of reducing grades and line revision. It has been necessary to defer this class of improvements for the work I have described, not that the disabilities and extra cost in operation were not keenly felt in every year's results.

St. Louis and Kansas City are the important gateways where interchange of freight traffic is made between North- [fol. 609] ern and Eastern Lines and the Northwest roads and M.-K.-T. Lines. On the St. Louis line there are territories where the maximum tonnage rating has to be reduced more than one-half due to excessive grades. Between St. Louis and Franklin the train load, in both directions is 3,000 tons, but between Franklin and Sedalia where there are a number of long grades ranging from 1.2 per cent to as high as 1.6 per cent the maximum tonnage handled by a Mikado type freight engine of 61,000 tractive power south is 1,350 tons, and north 1,450 tons, which is increased approximately 350 tons by cutting in the Booster. On the Kansas City line, there are some fifteen places where the grades are 1.2 to 1.3 and the maximum rating maintained over this territory is 2,150 tons south and 2,240 tons north without Booster. Parsons to Muskogee the train load is 3,100 tons, with Booster 3,600 tons. Millions of dollars must be spent to correct the existing grade situations on the St. Louis and Kansas City lines in order to economically handle our traffic over these territories, and this work should be undertaken soon (Tr. 4876-4877).

Besides economies to come from a better permanent way and structures, such as I have just outlined, and yet to be secured, we must also replace and secure additional and larger equipment both freight and passenger cars to load and engines to haul them. Any benefits to be taken advantage of and enjoyed by the Southwest in service must

result from sums yet to be spent upon this property. To satisfactorily handle the freight and passenger traffic over the M.-K.-T. Lines, it is essential that during the next ten years even more be spent for permanent improvements both of way and equipment, than was spent in the last ten years. An amount not less than seventy-five million dollars will be required for this purpose, and what is true in respect [fol. 610] of the M.-K.-T. Lines is likewise true of other lines in the Southwest (Tr. 4877-4878).

Before closing, and in speaking of sums which the railways are called upon to provide, mention should be made of the fact that in the larger cities like San Antonio, Houston, Dallas and Fort Worth, we are constantly confronted with calls from municipalities for expenditures of large sums, increasing in number from year to year. I refer to separation of grades in these cities and throughout the country where good roads have been built. At Dallas alone, an expenditure of $432,941.00 has been made for separation of grade. And at the immediate moment we have confronting us three separate propositions at Dallas and Fort Worth that will require better than two hundred thousand dollars to put them through. Funds required for this class of improvements will run into millions of dollars before we get through with it (Tr. 4878).

All of the sums spent during the Receivership in rehabilitating the property came out of earnings and during the Receivership it was put back into the property rather than devoted to payment of interest. During the Receivership very large sums of interest were defaulted upon, and the money put back into the property and three million dollars of improvements were financed out of the issuance of Receiver's Certificates (Tr. 4878-4879).

E. H. Holden was thereupon called as a witness and testified as follows:

Direct examination:

I am General Superintendent of Transportation for the Kansas City Southern Railway. I have had about thirty years experience in transportation and operating depart-

ments of the railroad. I began as a messenger and operator station clerk, train dispatcher, chief dispatcehr, superintendent, general superintendent (Tr. 4879).

[fol. 611] The Kansas City Southern Railway operates an average mileage of 854 miles. That is the entire system. That does not, of course, include 103 miles of terminal in Kansas City, Missouri. It includes only the main line through the terminal (Tr. 4879-4880).

I have prepared under my direction and supervision a profile of the line of the Kansas City Southern Railway (Tr. 4880).

The profile referred to by the witness was thereupon offered in evidence as Exhibit A-115.

(Exhibit A-115 was received in evidence).

[fol. 612] The traffic of the Kansas City Southern has shown substantial increase in the period year 1910 to January 1926. The territory which the Kansas City Southern traverses has been and is now in process of development; the Kansas City Southern has made heavy investments from its earnings, as well as from funds secured through loans, for development and improvement of its line to take care of the growing traffic of its tributary country and for the economical handling of this and other traffic. Much of the country through which the Kansas City Southern passes is topographically rough and broken, some of it sparcely settled and some unproductive; consequently do not enjoy a heavy local traffic. Heavy expenditures have been necessary in connection with improvement of operating facilities and bettering operating conditions. New and modern locomotives with increased tractive power and cars of modern construction more durable and with greater carrying capacity have been purchased, making necessary heavier rail, stronger and more modern bridges for the accom-odation of larger type locomotives, mallet design, relocation of some main track, revision of grade lines, new passing tracks in new locations, and extensions to existing passing tracks and the construction of other sidings has been instrumental in bringing about operating results and economies (Tr. 4880-4881).

It is felt that the freight tonnage of these lines is efficiently handled; in the year 1924 there was an increase of

40.6 per cent gross ton miles handled over that handled in 1907, with a decrease of 34.3 per cent in freight train miles. The net ton miles handled in the same period shows an increase of 49.4 per cent to some extent due to heavier car loading. The average gross train load for the year 1907 was 717 tons, for the year 1924 it was 1,759 tons, an increase of 1,042 tons, or an increase of 145.3 per cent, with an increase of but 69.2 per cent in average tractive power [fol. 613] per unit of freight locomotives, indicating the potential power of locomotives being more fully utilized. The average tractive power of freight locomotives owned in 1907 was 32,218 pounds, in 1924 54,524 pounds. The average miles per car per day year 1908 was 20.7, year 1924 40.9, an increase of 20.2 miles per day, or 97.6 per cent —almost double—indicating freight cars loaded, unloaded and handled efficiently (Tr. 4881-4882).

Blue prints submitted show that the country traversed by the Kansas City Southern and Texarkana & Fort Smith Railways between Kansas City, Missouri, and Texarkana, Texas, is rough and broken; considerable part of its mileage is through the hilly and mountainous territory of the Ozarks in southern Missouri, through the State of Oklahoma, and in northern and southern Arkansas. Operation is expensive due to small amount of tonnage per unit of power that can be handled on account of grade line, heavier fuel consumption, slower train movement and in the use of helping locomotives. To have full tonnage trains after reaching the rolling country 23 miles out of Kansas City, southward, it is necessary to provide helper service over the 1.6 per cent grade about one mile in length between Dodson and Grandview, Missouri. On the second operating district helper service is provided between Neosho, Missouri, and Watts, Oklahoma, both directions due to the 1.8 per cent grades. Prior to the time the larger type mallet locomotives were placed in service it was necessary to maintain helper service at other points, and while the cost of this expensive operation has been somewhat reduced by the use of these large and expensive mallet locomotives, we still have the heavy grades to contend with. Mallet type locomotives are in a way double locomotives, their maintenance cost is heavy, higher wages are paid for their operation, fuel consumption is heavy, their movement is neces-

[fol. 614] sarily slow, and the cost of track maintenance is increased due to their use (Tr. 4882-4883).

The Kansas City Southern has 29 Mallet type locomotives. The largest type tractive effort is 144,559 pounds. That is brought about through the use of a superheating device and a booster added. The Kansas City Southern Railway owns 170 locomotives. The road has not been able to eliminate helper service at all points other than that which is provided over the grade between Dodson and Grandview, Missouri. We continue to use helper service on the second district, that is on the territory between Neosho, Missouri and Watts, Oklahoma, and to some extent on the fourth district between Heavener, Oklahoma, over the top of the ruling grade in that territory. Prior to this time there were still other places where we added helper service more than we do at the present time. That has been eliminated through the use of these larger locomotives (Tr. 4883-4884).

Operation costs are increased through local regulations by State legislatures, Public Utilities Commissions, and municipalities in the States and communities through which the line passes. In Arkansas there are what is known as full crew bills which require the use of a third brakeman on freight trains of 25 loaded or empty cars or more, and three switchmen on switching crews that switch cars over any public highway crossing within cities of first and second class. Practically all of the freight trains operated by the Kansas City Southern Railway within the State of Arkansas consist of more than 25 cars. The line is peculiarly located, in entering the State of Arkansas in three localities, on three separate operating districts. The labor cost to the railway company for this additional force required, and for which there has been found no real need, on account of the full crew law for the years 1918 to 1924 inclusive was $235,915.40, for the first 10 months of 1925 $28,517.84, total [fol. 615] $264,433.24; on account of the full switching law $40,087.60 for the years 1918 to 1924, and for the first ten months of 1925, $3,730.93, total $43,818.53; the total cost being for the years 1918 to 1924 inclusive $276,003.00, for the first ten months of 1925 $32,248.77, grand total $308,-251.77. In the State of Louisiana the Public Service Commission required the operation of a passenger train each

way daily between Shreveport, Louisiana, and Lake Charles, Louisiana, at an expense to the railroad of approximately $191,568.00 per annum. This territory already had double daily local passenger service each way, which was considered fully adequate. We have contested the order in the courts, but have been unable to get relief from this expense. In this and other states authoritative bodies have required opening of stations or offices, the construction of new or remodeling of old station buildings, that to us appeared unwarranted for the business handled (Tr. 4884-4885).

The Kansas City Southern feels the burden of taxes. The railroads are called upon to bear a heavy proportion of the cost of paved highways, many of which parallel their lines and are used by bus and truck lines, competing, resulting in loss of revenue to the railroads. There is now under construction a paved highway southward that will parallel the Kansas City Southern for several hundred miles out of Kansas City. The total annual taxes of the road for the year 1925 were $1,350,567.66 or 6.39 per cent of our revenue. That was an increase of sixty nine thousand dollars over the year 1924. The average haul of our traffic year 1924 was 221 miles, compared with 256 miles for the year ending June 30, 1911, showing a decrease of 35 miles (4885-4886).

A considerable proportion of the line's traffic originates or takes destination in or beyond Oklahoma, Arkansas, Loui--ana and Texas, moving over the heavy grade territory, and a great deal of its passes through the Kansas City [fol. 616] Terminal at a heavy switching cost. Grain handled originates at points north of and at Kansas City, moves to Texarkana and Shreveport territory and to Port Arthur and other Gulf ports. Lumber and other forest products, petroleum and its products, move from Louisiana, Texas and Arkansas, passing through these terminals. The development of the territory, congestion at terminals, together with necessity for decreased operating costs have required the expenditure of large sums of money for improvements. Capital expenditures for improvements of road (including grade revision, bank widening, ballast, heavier rail, new and extensions to existing passing tracks,

signal protection, new yards, elimination of grade crossings), shop and engine-house improvements, purchase of new and improvements to existing locomotives and freight cars, and so forth from July 1, 1907, to December 31, 1925, have amounted to an approximate total of $26,987,350.00. Of this amount, the following are some of the principal items: rails, ties and other track material, $3,004,229.00; grading, $5,040,490.00; bridges, trestles and culverts, $1,687,270.00; ballast, $2,117,998.00; track laying and surfacing, $1,538,044.00; station and office buildings, $908,347.00; shops and engine-houses, $1,291,426.00; shop machinery and tools, $889,451.00; water stations, $272,401.00; fuel stations, $322,182.00; steam locomotives, $3,420,108.00; freight train cars, $1,779,189.00 (Tr. 4886-4887).

As an indication of what has been done in recent years to improve the property, the following separate items are selected from the above for the period June 30, 1914, to December 31, 1924: purchase of new locomotives, $1,901,894.00; rebuilding locomotives, $62,077.00; applying superheaters, $80,038.00; applying boosters, $39,155.00; other [fol. 617] modern improvements, such as coal pushers, air doors, piston valve cylinders, valve gear, cross compound pumps, etc., $149,650.00; purchase new freight cars, $2,311,387.00; improvements to existing equipment, $800,868.00; new and extended passing tracks (137,951 lineal feet), $475,579.00. The total of those figures just referred to is $5,820,648.00 (Tr. 4887-4888).

At one time the Kansas City Southern had a very expensive line revision. That started in the latter part of 1910 and extended through 1911 and 1912. It brought one district of 102 miles from a one per cent to a five tenths grade line and brought another 125 mile district from one and one quarter per cent to a five tenths grade line. That involved the construction of some nine miles of new railroad (Tr. 4888).

The use of heavier power has made it necessary for the property to go to a hundred pound rail. In the year 1925 there was constructed a transportation yard at Shreveport, Louisiana, at a cost of approximately $500,000.00 and a yard at Port Arthur, Texas, at a cost of $135,630.00. A new line extending from Asbury, Missouri, to Baxter Springs,

Missouri, has been completed costing approximately $477,420.00. There is now under way highway and railroad grade crossings elimination work at Shreveport, Louisiana, which will cost when completed approximately $600,000.00. There is a new low grade line project between Kansas City, Missouri, and Grandview, Missouri, to cost approximately $2,000,000.00, now authorized, the right of way purchases having been about completed (Tr. 4888-4889).

The installation of block signal and automatic train control under order of the Interstate Commerce Commission is under way on this line. Our betterment program for the year 1926 contemplates an expenditure of $1,369,288.00, of [fol. 618] which the following are some of the principal items: replacing 85 pound rail with 100 pound rail in 37 miles of main line track, $84,246.00; miscellaneous relaying of light rail in yard tracks including the application of additional tie plates to protect treated ties in main line track, $66,234.00; bridges, trestles and culverts, $92,672.00; additional yard tracks, sidings, etc., $92,352.00; freight and passenger stations and other station facilities, $88,098.00; water and fuel stations, $43,003.00; shop buildings, engine-houses, etc., $164,892.00; shop machinery and tools, $24,245.00. It will require investment of an unusual amount of additional capital to install improvements to make for further reduction in our operating costs (Tr. 4889).

I have included in the statement of expenditures and have also shown in the profile and statement of physical characteristics of the Kansas City Southern the entire Kansas City Southern system. I included the 81.09 miles of the Texarkana and Fort Smith Railroad in these operating figures. I did that to avoid any discussion or controversy over the division of expenses between the Kansas City Southern and its subsidiary company. The operating statistics of the Kansas City Southern are made including both the Texarkana and Fort Smith and the Kansas City Southern. From my experience on the Kansas City Southern and on the Texarkana and Fort Smith I would say that the expenses and operating costs on the Kansas City Southern, mile for mile, are greater than on the Texarkana and Forth Smith (Tr. 4890).

It will require investment of an unusual amount of additional capital to install improvements to make for further

reduction in our operating costs. A few methods in obtaining economies in operation are in specializing in organization, conducting campaigns to secure cooperation of [fol. 619] employees and efficiency in the various branches of service. We have a Safety Service Organization, composed of a Supervisor of Safety and assistants, Division Superintendents, Division Engineers and Master Mechanics, members of their staff and representative employees from different branches of the operating forces. Monthly open house meetings are held. Officers and employees of each department of the railroad are generally in attendance. Subjects for the good of the service and safety matters are discussed. Corrective measures are agreed upon and applied, if possible, by division officers, or are referred to the Management, if necessary. Formal reports of these meetings are made, each item kept track of and some definite final disposition ultimately made. The following figures show some of the results obtained: Year 1918, 626 injured and 10 killed; year 1922, 471 injured and 10 killed; year 1923, 460 injured and 7 killed; year 1924, 325 injured and 2 killed; year 1925, 219 injured and 1 killed (Tr. 4890-4891).

We have a Maintenance of Way Association, operated much along the same lines, except that its officers and members are from the Maintenance of Way Department. Their efforts are more given to determining ways and means for improvement in maintenance of way matters. Meetings are held monthly alternately on different divisions. Section foremen from the even numbered sections will attend the meetings for one period, and from the odd numbered sections the next. We have a Fuel Savers Department, an organization having regular monthly meetings and methods of procedure, the personnel of which is the General Superintendent of Transportation, Chairman of the General Committee, Fuel Agent, Superintendents, and supervisory forces of the Mechanical Department, local committees are composed of division officers, supervisors, and employees having to do with the handling and use of fuel (Tr. 4891-4892).

[fol. 620] We have a Mechanical Supervisors Association, composed of officers and supervisors of the Mechani-

cal Department and functions primarily to promote efficient and expeditious shop work. Each of the more important departments or branches of the service has an orderly method of establishing contact between men and supervisors, promoting cooperation, permitting the problems of both employees and supervisors to be viewed and discussed from various angles for the betterment of the service. Aside from these semi-official associations, we have departmental branches under the supervision of the head of a department, such as Freight Claim Prevention, headed by Chief of the Freight Claim Prevention Bureau, who reports to the Freight Claim Agent and is assisted by traveling claim prevention inspectors. The work is carried on directly in connection with the Freight Claim Department. For the year 1920 the ratio of freight claims paid per $100.00 freight and switch earnings was $1.55. For the year 1924 it was 67 cents and the indications are that the payment will be slightly less than 50 cents for the year 1925 (Tr. 4892).

Personnel Department, under the supervision of a Superintendent of Personnel, the organization consists of a Supervisor of Wages and Working Agreements, personnel supervisors and office forces. In this department are handled employees' insurance, pensions for retired employees, recreation, athletics and general welfare matters, as well as personal records. We have an arrangement with the Metropolitan Life Insurance Company whereby employees may avail themselves of group insurance at nominal cost after they have been in service six months. Pension allowance is made in some cases to worthy older employees who become incapacitated in service by reason of age or physi- [fol. 621] cal condition. A reasonable sum of money is allowed for recreation and athletics, all this to promote fellowship between employees. Grievances of employees are handled in this department, in conjunction with the heads of departments concerned. In this department there is a Fire Prevention Inspector who, with the cooperation of department heads, works to reduce the hazard of and loss from fire as much as possible (Tr. 4893).

We have a Fuel Department in charge of a Fuel Agent and such Fuel Inspectors as may be required. These men,

together with the Road Foreman of Engines, Traveling Engineers and Firemen, are engaged in the work of educating enginemen on fuel economy and in making tests to see that fuel purchased or to be purchased is of good grade. Fuel cost per 1,000 gross ton miles (coal and oil) based on consumption only, at prices paid in 1920, was 49.75 cents in 1924, compared with 53.34 cents in 1920, indicating more economical use of fuel.

The mechanical performance of our locomotives is shown by the following figures: Number of engine failures in 1909, 1269; in 1924, 353; miles per failure in 1909, 4211; in 1924, 13622. The distribution and assignment of power receives careful attention. Consulting engineers are employed who counsel our betterment programs and more important operating features. In the working out of our problems the purchase of large type locomotives for use in the heavy grade territory, the Ozark Mountain, south Missouri, Arkansas, and Oklahoma section, we have succeeded in eliminating some helper service and train mileage, thereby reducing the cost of operation; but the heavy grades and curvature that we have continues to cause operation to be more expensive than would be the case on a better grade line.

In addition there are constant campaigns being carried [fol. 622] on to promote economy and efficiency in various ways, such as the saving of material and avoiding waste; care and protection of perishable shipments enroute; prevention of rough handling of equipment; inspection of trains enroute by trainmen to prevent accidents; courtesy to the public, cooperation and many other situations as they come up from time to time (Tr. 4894).

The Port Arthur Canal & Dock Company own and operate a grain elevator at Port Arthur, Texas, capacity approximately 500,000 bushels, maintained ready to serve when needed. A large proportion of the year it is idle, being profitably used only during the period when grain is exported, and no grain for export has passed through the house from the 1925 crop (Tr. 4894-4895).

In my opinion, if the Kansas City Southern had not made the expenditures we have enumerated, looking toward efficient operation, it would probably have been in the red at

this time. We haven't much more than held our own compared with the earlier or better years of 1913, 1914 and 1915. The Kansas City Southern has not been able to earn 5.75 per cent return on its investment—not in the years 1923 or 1924. The return on investment for the year 1923 was 3.26 per cent and the year 1924, 3.44 per cent (Tr. 4895).

My recollection is that the railroad now known as the Kansas City Southern was built ready for operation approximately in 1897 (Tr. 4895).

Cross-examination:

Referring to Exhibit A-115, for example, the column Kansas City to Pittsburgh northbound, Note M indicates momentum grades. Referring to line 15 showing the maximum gradient compensated 1.10 per cent and right under it [fol. 623] ruling grade .5 per cent; the markings there indicate helper service for eleven miles in that territory. That brings it down to one half of one per cent. The fact that there is helper service on that momentum grade for eleven miles brings it down (Tr. 4895-4896). Referring to the northbound movement maximum grade 1.5 per cent the ruling grade is but .5 per cent. That means that the grade is compensated only to the extent that it is a 1.½ per cent grade. That would be true of the other situations (Tr. 4896).

When I referred to the high cost of terminals at Kansas City I meant the high cost of operating the Kansas City Southern terminals. We have recently had an increase in the charges for switching service performed within those terminals, not for the road haul service. The increase does not apply to our own road haul traffic (Tr. 4896-4897).

S. H. Bone was called as a witness and testified as follows:

Direct examination:

I am Assistant Auditor of the Freight Receipts for the Missouri Pacific Railroad Company and have spent about

thirty-five years in the Accounting Department of that railroad.

(Attorney Towner here conceded the witness' qualifications to talk accounting matters.) (Tr. 4897-4898.)

The freight traffic statistics of the Southwestern Lines cover the month of October, 1924. They are prepared in eight exhibits and are compiled according to states in Southwestern Line territory, the State of Texas being covered by two exhibits, Texas Common Points, and Texas Differential Territory. Each exhibit covers the freight traffic originating and terminating in each state in Southwestern Line and Western Trunk Line territory, also the freight traffic moving through the Western Trunk Line territory, both north and southbound, to and from each of [fol. 624] the Southwestern Line States. For example, the state of Arkansas is one Exhibit and contains statistical information on carload freight traffic of the various respondent lines in Southwestern Lines territory from Arkansas to Illinois, from Arkansas to Iowa, Arkansas to Michigan (N. P. of), Arkansas to Minnesota, Arkansas to Missouri, Arkansas to Wisconsin, Arkansas to through Western Trunk Line territory, and from Western Trunk Lines in Illinois to Arkansas, Iowa to Arkansas, Michigan (N. P. of) of Arkansas, Minnesota to Arkansas, Missouri to Arkansas, Wisconsin to Arkansas, through Western Trunk Line territory to Arkansas. I would like to submit our statement covering the state of Arkansas and distribute copies, in order that those present may follow my remarks, after which I will proceed to explain what the statement covers and how arranged (Tr. 4898-4899).

(The statement described by the witness was thereupon received in evidence as Exhibit A-116.)

[fol. 625] The cover of this exhibit speaks for itself. It shows the State of Arkansas on the outside. Form 3 up in the left hand corner directly under the cover, marked Form 3, covers the respondent roads, which is a grand recapitulation. This is the final recap. on the State of Arkansas and shows the following information in total: (a) number of cars, (b) Car miles—W. T. L.—S. W. L., (c) Tons, (d)

Tons one mile—W. T. L.—S. W. L., (e) Revenue in Dollars—W. T. L.—S. W. L., (f) Average haul—W. T. L.—S. W. L., (g) Average revenue per ton per mile (in mills), W. T. L.—S. W. L., (h) Average revenue per car mile (in cents), W. T. L.—S. W. L. From Arkansas to each of the states in W. T. L. Territory and from Arkansas through W. T. L. territory with a total of all. You will notice it shows Arkansas and Illinois, Iowa, Minnesota, Missouri, and on through, with the grand totals. Also the same information on traffic from each state in Western Trunk Line territory and through Western Trunk Line territory to the State of Arkansas, with the total of all. Also the grand totals of the traffic in both direction- to and from the State of Arkansas. That is the grand recapitulation which is the first sheet under the cover, marked Form 3. Form 2 is separated by a red insert and is directly under form 3. It is marked Form 2 in the upper left hand corner (Tr. 4899-4900).

Form 2 follows Form 3 and covers a summary of the freight traffic from the State of Arkansas to each Western Trunk Line state and through Western Trunk Line territory and from each state in Western Trunk Line territory, also through Western Trunk Line territory to the State of Arkansas showing the various statistical information described above. That refers to the number of gross car miles, tons etc., separated by commodities and junctions. On this sheet you will notice that it has the routes or junc- [fol. 626] tion points at which delivery is received from and delivered to the Western Trunk Line territory. Each sheet in the upper right hand corner tells you where the traffic is from and to, for example, the first sheet on Form 2 reads "Arkansas to Illinois." It starts out with routes via St. Louis. The first commodity on the sheet is apples (Tr. 4900). All the commodities are in alphabetical order, with the total of the cars on each route. Each sheet, if you turn them over you will find the next one is Arkansas to Illinois, 2 sheets of Arkansas to Illinois. The sheets are all numbered and in the heading if you will turn back to Form 2, the first sheet of Form 2, it starts out, it says Summary of Detail Sheet Numbers 1 to 5. Now that refers to Form 1, which I will explain. If you will turn then to

the next red insert which separates Form 2 and Form 1, marked Form 1 up in the upper left hand corner. Form 1 follows Form 2 and covers the same information described in Form 3 with this difference however. Form 1, in addition to showing commodities and junctions, also outlines the divisions used in dividing the revenue with the authorities for the divisions used. However, in some cases opposite the divisions used, the letters "D.D." or "N.D." are noted, which means the following: "D.D."—divisions in dispute; "N.D."—no divisions published (Tr. 4901).

By divisions in dispute I mean there is a dispute between the two territories. If divisions are in dispute I have divided the revenues upon the basis of settlement. This is what I told all the roads preparing statements, that where the divisions as settled were wrong and were not in dispute they would correct the settlements and place in the settlement the figures on the correct basis whether it was up or down, either way. If the divisions as settled were wrong but were in dispute, they would use the division on which the settlement was made. If they had no division, why they [fol. 627] would use the division upon which the settlement was made, that is if they could not find the division. Where the divisions are in dispute the statement shows the settlement as made by the carriers in the account. Where they are not in dispute the statement shows the settlement except that where the settlement is wrong it is corrected in the final figures. In the final analysis the statement reflects the division sheets which are not in dispute. I will say we discovered some errors when we started to make the settlement figures and put them in the column provided for it and then tried to work out the revenue for the year. We found some errors in extension which all had to be corrected. We do not show anywhere in the Exhibit who is disputing the divisions, whether it was a western trunk line or a southwestern road which divided the money. The delivering line always divides the money and the billing road is the one that accepts the delivering line's settlement. That is to the draft to the exchange of summaries at the end of the month. That would be true on through bills of commodities. I might say that between Western Trunk Lines and Southwestern Lines through billing is practically universally in effect. That means that pretty nearly all of the

traffic from the Southwestern lines to the Western Lines moves on through waybill, point of origin to destination. That is not true in all cases but in most cases. In fact, they are coming to that more and more every day (Tr. 4901-4902-4903).

Caption of Mileage.—In figuring the mileage for the Western Trunk Lines and Southwestern Line Roads we use for the Southwestern Line Roads their Official Distance Tables and for the Western Trunk Line Roads the Official Railway Guide figuring the distance of each movement via the shortest route via the line or lines handling the traffic. For example—The short line mileage on a shipment handled by the Missouri Pacific Railroad from Texarkana, Arkansas, [fol. 628] to East St. Louis, Illinois, is 498 miles, as per Missouri Pacific Railroad Official Distance Table No. 6. The actual movement of freight between these two stations is 526 miles. In compiling our statement we used 498 miles instead of 526 miles for the Southwestern Line Roads. In other words the ton miles is figures on the low mileage, the authorized mileage (Tr. 4904).

Territory Covered.—Traffic to and from the states named above, that refers to the states on the cover, the State of Missouri being divided between Western Trunk Line and Southwestern Line territory as follows: That portion on the north of the line of the Missouri Pacific Railroad St. Louis to Kansas City was considered Western Trunk Line territory. The portion of the state south thereof was considered Southwestern Line territory. The traffic moving through Western Trunk Line territory covered the following: points beyond Western Trunk Line territory east of the Illinois-Indiana state line, on and north of the Ohio River and of the line formed by the Chesapeake & Ohio, Norfolk & Western and Virginia Railways between Cincinnati and Norfolk, including the New England states, New York and the lower peninsula of Michigan. This statement covers only joint rates. Every combination rate was cut out of our statement (Tr. 4904-4905).

Caption, Gateways to and from Western Trunk Line Territory.—St. Louis, East St. Louis, Kansas City, Cairo, Gale and Thebes. On traffic routed via Omaha, Marshalltown, Des Moines, etc., the total revenue to Kansas City was used for account of the Western Trunk Line roads together with the mileage of the Western Trunk Line roads to Kan-

sas City. Caption, Traffic Through Western Trunk Line Territory: Kansas City, thence Mississippi River and other Illinois junctions northbound, and Illinois junctions and River crossings, thence Kansas City southbound. This [fol. 629] concludes the explanation of the Southwestern Lines statement covering the State of Arkansas. I have not included the traffic to and from North and South Dakota. That was purposely eliminated because those two states were not given me as being a part of the Western Trunk Line Territory. We only included the states that were furnished me by the Traffic Department. We have listed in the upper left hand corner on most of the sheets what we designate as respondent lines. Those are all of the respondent Southwestern Lines. Every road in Western Trunk Line territory was included in this statement, including any road over which it may have moved, whether parties to this case or not (Tr. 4905-4906-4907).

In ascertaining the tons one mile in Western Trunk Line territory we included every road in Western Trunk Line territory. By that I mean that as to every bit of traffic southbound from the territory east of the Western Trunk Lines that reached the Western Trunk Lines at Chicago, Springfield, Peoria, Joliet and other junctions we included the revenue of the Western Trunk Lines to the Missouri River. We included all the money that the Western Trunk Lines received out of handling the through traffic in the junction at which they received it. For example, if a shipment came from Springfield, was handled via Peoria, then C. & A. we will say for example, to some point on a Southwestern Line, we used the mileage and the revenue from Peoria to Kansas for the Western Trunk Lines. The total revenue of the Western Trunk Lines beyond Peoria was included. In fact, everything that is based on the division in the junction at which they received it or delivered it from the Missouri River to those points is included in these figures (Tr. 4908-4909).

I might say that in preparing the figures here the gross revenue for the Southwestern Lines is shown on the traffic [fol. 630] they received at East St. Louis from the Western Trunk Lines. That is, the Southwestern Lines pay a river transfer charge to the Terminal Railroad Association. That is not a good deal. But the total revenue from East St.

Louis is shown in these figures. We made no deduction for the river transfer in preparing this statement. I haven't shown any reduction from the Western Trunk Line revenue for absorptions at Chicago on the through traffic (Tr. 4909-4910).

Nowhere in the Exhibit are the points of origin or destination of the traffic shown. The information was consolidated and covered by states. The Statement there was prepared by all the respondent lines and was consolidated under my direction at St. Louis by the various St. Louis lines. In other words, we took the traffic from Texas and we let the M.-K.-T. consolidate that, all the Texas roads, both as to division, route, and then our statistical bureau went over the figures. Then I looked at them last before they went to the printer. You will note pretty nearly every statement here carries a correction. The reason for that is we refigured every one of the averages after they came back from the planographers to be sure there were not any errors. Now I am pretty sure that the statement is correct (Tr. 4910).

The Witness: The next statement covers the State of Louisiana. This Statement is compiled in same manner and form as the statement submitted for the State of Arkansas (Or Exhibit No. A-116). My remarks as to the State of Arkansas will apply to the State of Louisiana. I would, therefore, like to submit our statement covering the State of Louisiana (Tr. 4911).

(The statement described by the witness was thereupon received in evidence as Exhibit A-117).

[fol. 631] The next statement covers the State of Missouri. This Statement is compiled in same manner and form as the statement submitted for the State of Arkansas. My remarks as to the State of Arkansas will apply to the State of Missouri. I would, therefore, like to submit our statement covering the State of Missouri (Tr. 4911).

(The statement described by the witness was thereupon received in evidence as Exhibit A-118).

We have included all of the State of Minnesota. The cover shows that on each statement. Every statement is identically alike as to preparation (Tr. 4912).

The next statement covers the state of Oklahoma. This statement is compiled in same manner and form as the statement submitted for the State of Arkansas. My remarks as to the State of Arkansas will apply to the State of Oklahoma. I would, therefore, like to submit our statement covering the State of Oklahoma (Tr. 4912).

(The statement described by the witness was thereupon received in evidence as Exhibit A-119).

[fol. 632] In the case of anything that moves via Omaha we added the division between Omaha and Kansas City to the division taken to Omaha and put it in the statement as via Kansas City. Kansas City is the junction. Wherever the delivery was made at Omaha we added the division between Omaha and Kansas. We showed all of the tonnage and revenue north of Kansas as part of the Western Trunk Line service. That would be true of traffic taken to Omaha form southwestern points of origin by the Missouri Pacific and there delivered to the C. & N. W. at Omaha. We would break it at Kansas City and the division we received north of Kansas City to Omaha is added to the Northwestern division together with the miles for the Western Trunk Lines. Nothing is included in these statements with regard to traffic from the Southwest delivered to the Western Trunk Lines at St. Louis and moving thence to Chicago and there delivered to Eastern Lines. Nothing via St. Louis is included in that statement at all. That is on through traffic, but if it was hauled by a Southwestern Line to St. Louis and there delivered to the Alton for any destination in Western Trunk Line territory that is included; but not through traffic moving via St. Louis, only if it moves via Kansas City (Tr. 4912-4913-4914).

The next statement covers that portion of the State of Texas known as Texas Common Point Territory. This statement is compiled in same manner and form as the statement submitted for the State of Arkansas. My remarks as to the State of Arkansas will apply to that portion of the State of Texas known as Texas Common Point Territory. I would, therefore, like to submit our statement covering Texas Common Point Territory (Tr. 4914).

[fol. 633] (The statement described by the witness was thereupon received in evidence as Exhibit A-120.)

[fol. 634] The next statement covers that portion of the State of Texas known as Texas Differential Territory. This statement is compiled in same manner and form as the statement submitted for the State of Arkansas. My remarks as to the State of Arkansas will apply to that portion of the State of Texas known as Texas Differential Territory. I would, therefore, like to submit our statement covering Texas Differential Territory.

(The statement described by the witness was thereupon received in evidence as Exhibit A-121.)

[fol. 635] The next statement covers the movement of forest products, originating on Short Lines connecting with Southwestern respondent Lines for shipments having destination in Western Trunk Line Territory and Territory east thereof when moving through Western Trunk Line territory. I would like to submit statement and distribute copies, in order that those present may follow my remarks, after which I will proceed to explain what information the statement covers and how arranged.

(The statement described by the witness was thereupon received in evidence as Exhibit A-122.)

[fol. 636] The cover of the exhibit states what it covers. Form 5 Grand Recapitulation—first sheet under cover. This recap. shows the number of cars of Forest Products originating in the states of Arkansas, Louisiana, Missouri, Oklahoma and Texas to each of the states in Western Trunk Line territory and moving through Western Trunk Line territory to destinations east thereof, showing total movement from each state and a grand total of all states. Also —Car Miles—separated as between Western Trunk Lines and Southwestern Lines; Tons and Tone One Mile separated as between Western Trunk Lines and Southwestern Lines; Revenue in Dollars for Western Trunk Lines, Southwestern Lines and Southwestern Lines' Short Line connections; Average Haul—separated as between Western Trunk Lines and Southwestern Lines; Average Revenue per Ton per Mile (Mills) separated as between Western Trunk Lines and Southwestern Lines; Average Revenue Per Car Mile (Cents)—separated as between Western Trunk Lines and Southwestern Lines.

Form 4, separated by a red insert from Form 5, covers the same information as shown by Form 5 with the addition of the junctions at which the traffic was delivered to Western Trunk Lines and basis of divisions on which the revenue is divided and the authority for same, except where the letters "D. D." or "N. D." are noted. These letters indicate—"D. D.", divisions in dispute; "N. D.", no divisions published. This sheet also carries it by states, indicated in the right hand corner of each sheet as to where it is from and to, that is to states. That is all of this exhibit (Tr. 4915-4916).

The money shown in this Exhibit as accruing to the Southwestern Lines does not include the money paid to the tap lines. The Southwestern Lines' money is their net money. The tap lines' money is deducted because we paid [fol. 637] that out to the short line connections. It is an amount that we have to pay to those roads for hauling the traffic to the junction (Tr. 4917).

Here the Examiner asked whether the lines north of Kansas City and St. Louis join in a tap line allowance and Attorney Muckley replied that that would be covered later, that they did not.

Every waybill from Western Trunk Line territory that carries advances, we went to the waybill and found out where it originated, and if it originated in Western Trunk Line territory, that would mean that it was rebilled in transit at some point in Western Trunk Line territory. We reabstracted that shipment as from point of origin. If it originated east of the Western Trunk Line territory we took it out of the Western Trunk Line territory statement and put it in where it belonged. We have shown the subdivision of the Southwestern Lines' money as between ourselves and connecting carriers which originate traffic (Tr. 4917-4918).

These Exhibits do not include traffic moving from points west of Southwestern territory. They only cover shipments to the respondent roads in Western Trunk Line territory as shown in the upper left hand corner of the Exhibit. Traffic in Arizona and New Mexico was not involved in the statement (Tr. 4919).

The Examiner said that the reason for exclusion of points West of Southwestern territory which moved on transcontinental divisions, whereas traffic between Southwestern Territory and the territory east of Western Trunk Line territory does not move on transcontinental division and is involved in this case, at least so far as the proportions west of Chicago and St. Louis are concerned, and that he would like to know how much the statement would be changed if the tap line allowances were included in the Southwestern Lines' figures (Tr. 4919-4920).

[fol. 638] The Witness (continuing): I have a list of the tap lines, that is, the Short Line connections, if you would like to have them (Tr. 4920).

(The statement theretofore described by the witness was received in evidence as Exhibit A-123.)

[fol. 639] The Witness: Up in the upper right hand corner it might be well to place figures in there for it reads, this statement covers summary of exhibits from A-116 to A-122 inclusive. This is the grand recapitulation of a summary, that is Exhibit No. A-123.

Cross-examination:

The Texas Common Point Territory is covered by tariff. The points that take Texas Common Point rates are included in the Texas Common Point division. The points that take arbitraries or a differential over Texas Common Points are in the Texas Differential statement (Tr. 4921).

Objection was here made to the witness testifying further on this point for the reason that he was not a traffic witness.

The Oklahoma statement, Exhibit A-119, is for the period of October, 1924. The statement was made up from the accounts for that month, whatever the accounts reflected with the exception of where the divisions were in dispute. In such cases we took the settlement. Where they were not in dispute and were wrong we corrected them (Tr. 4922).

I have a list of the lumber originating roads, but I do not have that list here.

Mr. Dana here stated that the allowances to the Short Line connections referred to in Exhibit A-122 did not all represent divisions that were actually fixed by the Commission. There followed a discussion as to whether or not the allowances were made for the purpose of relieving the Southwestern Lines of transportation expense or of performing a transportation service. Attorney Muckley urged that it was an originating expense, but the Examiner said that it was a transportation expense, part of the line haul. [fol. 640] All I did was to take what somebody else made and put them together in my form (4923-4924).

H. W. Press was thereupon called as a witness and testified as follows:

Direct examination:

I am Assistant Comptroller of the St. Louis, San Francisco Railway, St. Louis.

(Attorney Towner here conceded the witness' qualifications.)

I have been in the Accounting and Statistical Department of that railroad for about twenty-four years, doing practically the same kind of work during all that period. I specialized in statistics and cost accounting (Tr. 4925).

The statement thereafter described by the witness was thereupon offered in evidence as Exhibit A-124.

Exhibit A-124 was received in evidence, which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit No. A-124, Press, side folios 641-696, inc.)

[fol. 641]

EXHIBIT A-124

Witness: Press

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Year (1)	Average miles of road operated (2)	Net railway operating income (3)	Investment in road and equip. inc. material & supplies and cash (4)	Rate of return (5)	Net railway operating income per mile of road (6)	
Including A. T. & S. F. Ry. and C. R. I. & P. Ry. in Both Southwes						
1916	50,992.76	$136,218,088	$2,828,805,456	4.82%	$2,761	1916.
1917	51,024.05	152,760,765	2,940,676,640	5.19%	2,994	1917.
1921	51,127.03	128,737,736	3,233,904,546	3.98%	2,518	1921.
1922	51,037.91	114,387,110	3,263,218,992	3.51%	2,241	1922.
1923	50,963.94	130,175,510	3,362,148,262	3.87%	2,554	1923.
1924	51,036.30	151,580,221	3,480,105,170	4.36%	2,970	1924.
*1925	51,241.00	158,643,547	3,485,183,660	4.55%	3,096	*1925.
Average of 7 Years	51,060.43	138,928,997	3,227,720,389	4.30%	2,721	
Including A. T. & S. F. Ry. and C. R. I. & P. Ry. from Both Southw						
1916	34,743.88	$73,249,270	$1,819,168,367	4.03%	$2,108	1916.
1917	34,637.18	93,685,007	1,905,428,990	4.92%	2,705	1917.
1921	34,631.72	67,305,021	2,069,494,045	3.25%	1,943	1921.
1922	34,525.70	64,943,632	2,081,943,662	3.12%	1,881	1922.
1923	34,371.84	75,238,851	2,129,590,983	3.53%	2,189	1923.
1924	34,355.23	97,040,532	2,186,939,915	4.44%	2,825	1924.
*1925	34,485.86	97,110,809	2,192,018,405	4.43%	2,816	*1925.
Average of 7 Years	34,535.92	81,224,732	2,054,940,624	3.95%	2,352	A

* See Foot Notes on Page 9.

Operating Income per Mile of Road Operated for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Years Ended December , 1921, 1922, 1923, 1924 and 1925

Carriers in Western Trunk Line Territory

Net railway operating income per mile of road (6)	Year (7)	Average miles of road operated (8)	Net railway operating income (9)	Investment in road and equip. inc. material & supplies and cash (10)	Rate of return (11)	Net railway operating income per mile of road (12)
Ry. in Both Southwestern Territory and Western Trunk Line Territory						
$2,761	1916	64,804.89	224,631,864	$3,910,146,345	4.74%	$3,466
2,994	1917	64,976.41	198,481,449	4,016,691,230	4.94%	3,055
2,518	1921	65,334.42	132,255,060	4,475,146,156	2.96%	2,024
2,241	1922	65,465.55	156,139,228	4,562,123,083	3.42%	2,385
2,554	1923	65,640.23	177,328,553	4,756,812,310	3.73%	2,702
2,970	1924	65,866.32	173,499,840	4,886,282,428	3.55%	2,634
3,096	*1925	66,199.47	190,541,655	4,886,282,428	3.90%	2,878
2,721	Average of 7 Years	65,469.61	178,982,521	4,499,069,140	3.98%	2,734
y. from Both Southwestern Territory and Western Trunk Line Territory						
$2,108	1916	48,556.01	$161,663,046	$2,900,509,256	5.57%	$3,329
2,705	1917	48,589.54	139,405,691	2,981,443,580	4.68%	2,869
1,943	1921	48,839.11	70,822,345	3,310,735,655	2.14%	1,450
1,881	1922	48,953.34	106,695,750	3,380,847,753	3.16%	2,180
2,189	1923	49,048.13	122,391,894	3,524,255,031	3.47%	2,495
2,825	1924	49,185.25	118,960,151	3,593,117,173	3.31%	2,419
2,816	*1925	49,444.33	129,008,917	3,593,117,173	3.59%	2,609
2,352	Average of 7 Years	48,945.10	121,278,256	3,326,289,374	3.65%	2,478

Net Railway Operating Income, Investment in Road and Equipment, Rate of Return and Net Railway Operating Income per Mile of Road

Carriers in Southwestern Territory

Road	Average miles of road operated	Net railway operating income	Investment in road and equip. inc. material & supplies and cash	Rate of return	Net railway operating income per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,244.40	$48,246,684	$745,457,153	6.47%	$4,291
C. R. I. & P. (Inc. C. R. I. & G.)	8,090.40	21,029,878	364,007,304	5.78%	2,599
F. W. & D. C.	454.14	2,380,123	26,072,388	9.13%	5,241
Ft. S. & W.	253.65	101,939	11,992,138	.85%	402
Gulf Coast Lines	897.64	1,633,577	36,172,044	4.68%	1,887
I. & G. N.	1,159.50	2,068,584	41,885,707	4.94%	1,784
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	90,789	29,158,036	.31%	123
K. C. S. (Inc. T. & Ft. S.)	842.73	3,832,408	99,945,742	3.83%	4,548
K. O. & G.	332.36	1,549	11,661,558	.01%	5
La. & Ark.	278.72	373,810	12,676,701	2.95%	1,341
L. Ry. & Nav. Co.	349.18	464,359	21,329,688	2.19%	1,330
Mid. Val.	383.02	545,801	19,019,356	2.87%	1,425
M. & N. A.	365.24	190,800	18,197,873	1.05%	522
M. K. & T. (Inc. M. K. T. of T.) and W. F. & N. W.	3,865.02	5,371,911	253,130,018	2.12%	1,390
Mo. Pac.	7,437.26	14,122,007	334,383,885	4.22%	1,899
S. T. L.-S. F. (Inc. S. T. L. S. F. & T.) and Ft. W. & R. G.	5,231.11	14,767,614	340,836,675	4.31%	2,806
S. T. L.-S. W. (Inc. S. T. L. S. W. of T.)	1,753.83	4,693,609	103,842,523	4.52%	2,676
S. A. & A. P.	732.65	613,497	25,159,898	2.44%	837
S. A. U. & G.	317.26	86,432	4,791,666	1.80%	272
Sou. Pac. (Tex. & La.)	3,534.70	10,188,173	187,807,563	5.42%	2,882
T. & P.	1,946.50	4,965,625	113,959,987	4.36%	2,551
T. & B. V.	357.21	347,555D	11,850,547	2.939D	973D
V. S. & P.	171.47	508,361	9,950,638	5.10%	2,965
Wich. Va. 1	256.90	319,013	5,606,368	5.69%	1,242
Total	50,992.76	$136,218,088	$2,828,805,456	4.82%	$2,671
Total Excl. A. T. & S. F. and C. R. I. & P.	34,743.88	73,249,270	$1,819,168,367	4.03%	$2,108

D—Denotes deficit.

ome per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1916

Carriers in Western Trunk Line Territory

t railway perating come per le of road (6)	Road (7)	Average Miles of road operated (8)	Net railway operating income (9)	Investment in road and equip. inc. material & supplies and cash (10)	Rate of return (11)	Net railway operating income per mile of road (12)
$4,291	A. T. & S. F.	8,636.42	$43,065,118	$663,280,717	6.49%	$4,986
2,599	C. R. I. & P.	7,612.46	19,903,700	346,356,372	5.75%	2,615
5,241	C. & A.	1,052.65	4,017,508	131,075,178	3.06%	3,817
402	C. & E. I.	1,160.62	3,389,863	84,513,105	4.01%	2,921
1,887	C. & N. W.	8,423.55	27,986,193	412,305,805	6.79%	3,322
1,784	C. B. & Q.	9,370.39	38,482,078	488,606,878	7.88%	4,107
123	C. G. W.	1,490.22	3,789,584	172,982,835	2.19%	2,543
4,548	C. M. & St. P.	10,196.25	29,607,212	609,591,249	4.86%	2,904
5	C. St. P. M. & O.	1,752.81	5,860,986	81,615,789	7.18%	3,344
1,341	D. S. S. & A.	602.42	796,931	49,075,772	1.62%	1,323
1,330	E. J. & E.	797.36	3,261,581	49,514,943	6.59%	4,090
1,425	G. B. & W.	252.70	244,426	10,823,744	2.26%	967
522	I. C.	4,766.79	18,787,570	328,033,353	5.73%	3,941
1,390	L. S. & Ishpeming	34.04	216,176	4,242,702	5.10%	6,351
	M. & St. L.	1,646.75	2,912,154	61,804,529	4.71%	1,768
1,899						
2,806	M. St. P. & S. S. M.	4,228.11	13,702,019	200,866,917	6.82%	3,241
2,676	Q. O. & K. C.	262.29	78,407	6,428,077	1.22%	299
837	Wabash	2,519.06	8,530,358	209,028,380	4.08%	3,386
272						
2,882						
2,551						
973D						
2,965						
,242						
,671	Total	64,804.89	$224,631,864	$3,910,146,345	5.74%	$3,466
,108	Total Excl. A. T. & S. F. and C. R. I. & P.	48,556.01	$161,663,046	$2,900,509,256	5.57%	$3,329

Net Railway Operating Income, Investment in Road and Equipment, Rate of Return and Net Railway Operating Income per Mile of Road Operated

Carriers in Southwestern Territory

Road	Average miles of road operated	Net railway operating income	Investment in road and equip. inc. material & supplies and cash	Rate of return	Net railway operating income per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,269.32	$47,228,609	$761,246,364	6.20%	$4,191
C. R. I. & P. (Inc. C. R. I. & G.)	8,219.36	18,473,934	376,773,931	4.90%	2,248
Ft. W. & D. C.	454.14	2,347,002	27,987,432	8.39%	5,168
Ft. S. & W.	253.65	242,065	12,260,279	1.97%	954
Gulf Coast Lines	858.15	2,068,576	37,534,132	5.51%	2,411
I. & G. N.	1,159.50	3,253,235	43,463,896	7.48%	2,806
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	45,854D	29,332,968	.16%D	62D
K. C. S. (Inc. T. & Ft. S.)	861.73	4,433,557	100,473,177	4.41%	5,145
K. O. & G.	332.00	9,980	12,020,561	.08%	30
La. and Ark.	302.34	363,885	12,870,500	2.83%	1,204
La. Ry. & Nav. Co.	352.37	518,338	21,427,919	2.42%	1,471
Mid. Val.	383.66	765,679	19,404,595	3.95%	1,996
M. & N. A.	365.24	217,179	18,327,352	1.18%	595
M. K. & T. (Inc. M. K. & T. of T. and W. F. & N. W.)	3,866.31	8,039,634	260,792,836	8.08%	2,079
Mo. Pac.	7,325.41	19,992,832	366,193,773	5.46%	2,729
S. T. L.-S. F. (Inc. S. T. L. S. F. & T.) and Ft. W. & R. G.)	5,181.17	16,098,394	367,303,189	4.38%	3,107
S. T. L.-S. W. (Inc. S. T. L. S. W. of T.)	1,753.50	6,253,097	105,558,173	5.92%	3,566
S. A. & A. P.	726.25	610,422	25,485,214	2.40%	841
S. A. U. & G.	317.26	170,692	4,992,195	3.42%	538
Sou. Pac. (Tex. & La.)	3,561.15	15,266,174	192,250,443	7.94%	4,287
T. & P.	1,946.50	5,702,229	117,383,905	4.86%	2,929
T. & B. V.	368.80	206,849D	11,713,195	1.77%D	561D
V. S. & P.	171.47	693,401	10,348,545	6.70%	4,044
Wich. Val.	256.90	264,554	5,532,066	4.78%	1,030
Total	51,024.05	$152,760,765	$2,940,676,640	5.19%	$2,994
Total Excl. A. T. & S. F. and C. R. I. & P.	34,637.18	93,685,007	$1,905,428,990	4.92%	$2,705

D—Denotes deficit.

ile of Road Operated for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1917

Carriers in Western Trunk Line Territory

railway erating me per of road	Road	Average Miles of road operated	Net railway operating income	Investment in road and equip. inc. material & supplies and cash	Rate of return	Net railway operating income per mile of road
(6)	(7)	(8)	(9)	(10)	(11)	(12)
4,191	A. T. & S. F.	8,642.32	$41,842,418	$676,326,093	6.19%	$4,842
2,248	C. R. I. & P.	7,744.55	17,233,340	358,921,557	4.80%	2,225
5,168	C. & A.	1,052.65	3,606,134	135,464,144	2.66%	3,426
954	C. & E. I.	1,131.39	4,408,032	88,572,625	4.98%	3,896
2,411	C. & N. W.	8,423.80	24,192,566	430,039,693	5.63%	2,871
2,806	C. B. & Q.	9,373.38	34,748,472	507,210,271	6.85%	3,707
62D	C. G. W.	1,496.06	2,816,212	173,079,067	1.63%	1,882
5,145	C. M. & St. P.	10,256.53	20,148,335	624,441,944	3.22%	1,964
30	C. St. P. M. & O.	1,749.33	4,219,231	83,304,680	5.06%	2,411
1,204	D. S. S. & A.	600.82	535,776	49,687,814	1.07%	892
1,471	E. J. & E.	802.99	2,433,632	47,190,564	5.16%	3,031
1,996	G. B. & W.	253.80	196,545	10,877,503	1.81%	774
595	I. C.	4,766.04	21,510,760	344,933,816	6.24%	4,513
2,079	L. S. & Ishpeming	34.04	195,328	4,212,322	4.64%	5,738
	M. & St. L.	1,646.75	2,570,879	64,274,576	4.00%	1,561
2,729						
1,107	M. St. P. & S. S. M.	4,227.81	10,461,807	200,436,552	5.22%	2,475
1,566	Q. O. & K. C.	255.09	6,409D	6,438,274	.10%D	25D
841	Wabash	2,519.06	7,368,391	211,279,735	3.48%	2,925
538						
1,287						
1,929						
561D						
1,044						
1,030						
994	Total	64,976.41	$198,481,449	$4,016,691,230	4.94%	$3,055
705	Total Excl. A. T. & S. F. and C. R. I. & P.	48,589.54	$139,405,691	$2,981,443,580	4.68%	$2,869

Net Railway Operating Income, Investment in Road and Equipment, Rate of Return and Net Railway Operating Income per Mile of Road Opera

Carriers in Southwestern Territory

Road	Average miles of road operated	Net railway operating income	Investment in road and equip. inc. material & supplies and cash	Rate of return	Net railway operating income per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,599.03	$54,451,069	$867,856,376	6.27%	$4,694
C. R. I. & P. (Inc. C. R. I. & G.)	8,122.83	16,444,952	413,591,116	3.98%	2,025
Ft. W. & D. C.	454.14	3,457,113	32,050,153	10.79%	7,612
Ft. S. & W.	249.75	74,194D	12,832,046	.58%D	297D
Gulf Coast Lines	860.19	2,070,006	39,490,006	5.24%	2,406
I. & G. N.	1,159.50	97,596	45,892,599	.21%	84
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	806,740D	30,221,737	2.67%D	1,093D
K. C. S. (Inc. T. & Ft. S.)	863.15	4,287,174	106,596,212	4.02%	4,967
K. O. & G.	317.29	7,449D	13,711,656	.05%D	23D
La. & Ark.	302.34	349,144	13,545,270	2.58%	1,155
La. Ry. & N. Co.	343.67	128,026	22,578,866	.57%	373
Mid. Val.	365.88	929,725	20,673,160	4.50%	2,541
M. & N. A.	364.57	536,737D	18,448,911	2.91D	1,472D
M. K. & T. (Inc. M. K. & T. of T. and W. F. & N. W.).	3,783.69	8,780,927	281,399,308	3.12%	2,321
Mo. Pac.	7,300.36	10,236,848	395,440,931	2.59%	1,402
S. T. L.-S. F. (Inc. S. T. L. S. F. & T. and Ft. W. & R. G.).	5,130.58	17,736,424	399,751,464	4.44%	3,457
S. T. L. S. W. (Inc. S. T. L. S. W. of T.)	1,775.98	4,758,760	117,194,881	4.06%	2,680
S. A. & A. P.	739.36	71,657	25,922,744	.28%	97
S. A. U. & G.	317.26	60,737	5,136,076	1.18%	191
Sou. Pac. (Tex. & La.)	3,592.27	1,308,133	209,513,118	1.10%	643
T. & P.	1,951.14	2,832,149	133,480,001	2.12%	1,452
T. & B. V.	368.80	288,065	11,803,260	2.44%	781
V. S. & P.	171.44	459,498	10,648,528	4.32%	2,683
Wich. Val.	255.86	414,403	6,126,127	6.76%	1,620
Total	51,127.03	$128,737,736	$3,233,904,546	3.98%	$2,518
Total Excl. A. T. & S. F. and C. R. I. & P.	34,631.72	$67,305,021	$2,069,494,045	3.25%	$1,943

D—Denotes deficit.

Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1921

Carriers in Western Trunk Line Territory

Net railway operating income per mile of road (6)	Road (7)	Average Miles of road operated (8)	Net railway operating income (9)	Investment in road and equip. inc. material & supplies and cash (10)	Rate of return (11)	Net railway operating income per mile of road (12)
$4,694	A. T. & S. F.	8,833.70	$46,234,261	$769,800,427	6.01%	$5,234
2,025	C. R. I. & P.	7,661.61	15,198,454	394,610,074	3.85%	1,984
7,612	C. & A.	1,050.51	1,862,675	146,280,522	1.27%	1,773
297D	C. & E. I.	1,130.81	2,153,582	89,745,222	2.39%	1,904
2,406	C. & N. W.	8,402.28	6,651,137	490,226,677	1.36%	792
84	C. B. & Q.	9,393.07	29,145,005	556,704,559	5.24%	3,103
1,093D	C. G. W.	1,496.06	309,989	170,783,535	.18%	207
4,967	C. M. & St. P.	10,808.63	5,117,329	697,569,989	.73%	473
23D	C. St. P. M. & O.	1,749.19	2,065,350	90,170,200	2.29%	1,181
1,155	D. S. S. & A.	591.80	594,527D	49,670,339	1.20%D	1,005D
373	E. J. & E.	456.59	3,334,952	58,425,825	5.71%	7,304
2,541	G. B. & W.	252.39	192,660	11,230,566	1.72%	763
1,472D	I. C.	4,799.37	17,542,228	424,339,786	4.13%	3,655
2,321	L. S. & Ishpeming	33.43	202,407D	4,723,627	4.28%D	6,055D
	M. & St. L.	1,651.01	273,291	67,033,431	.41%	166
1,402						
3,457	M. St. P. & S. S. M.	4,298.09	696,585D	216,261,454	.32%D	162D
2,680	Q. O. & K. C.	252.92	195,673D	6,329,830	3.09%D	774D
97	Wabash	2,472.96	3,863,339	231,240,103	1.67%	1,562
191						
643						
1,452						
781						
2,683						
1,620						
2,518	Total	65,334.42	$132,255,060	$4,475,146,156	2.96%	$2,024
1,943	Total Excl. A. T. & S. F. and C. R. I. & P.	48,839.11	$70,822,345	$3,310,735,655	2.14%	$1,450

Net Railway Operating Income, Investment in Road and Equipment, Rate of Return and Net Railway Operating Income per Mile of

Carriers in Southwestern Territory

Road	Average miles of road operated	Net railway operating income	Investment in road and equip. inc. material & supplies and cash	Rate of return	Net ry. operating income per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,622.74	$39,938,082	$888,328,694	4.50%	$3,436
C. R. I. & P. (Inc. C. R. I. & G.)	8,116.23	14,656,570	410,768,075	3.57%	1,806
Ft. W. & D. C.	456.31	2,438,054	32,924,601	7.40%	5,343
Ft. S. & W.	249.75	169,531	12,846,591	1.32%	679
Gulf Coast Lines	860.19	2,751,057	40,135,831	6.85%	3,198
I. & G. N.	1,159.50	1,318,388	43,718,594	3.02%	1,137
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	474,893D	29,831,081	1.59%D	644D
K. C. S. (Inc. T. & Ft. S.)	862.93	3,398,855	108,483,762	3.13%	3,939
K. O. & G.	314.45	526,254	18,761,377	2.80%	1,674
La. & Ark.	302.25	695,547	13,809,043	5.04%	2,301
La. Ry. & N. Co.	343.67	88,637	22,979,065	.39%	258
Mid. Val.	365.45	1,100,049	20,732,672	5.31%	3,010
M. & N. A.	323.29	82,378	4,081,720	2.02%	255
M. K. & T. (Inc. M. K. & T. of T. and W. F. & N. W.)	3,737.46	10,395,020	283,104,451	3.67%	2,781
Mo. Pac.	7,261.78	8,247,035	402,240,929	2.05%	1,136
St. L.-S. F. (Inc. S. T. L. S. F. & T. and Ft. W. & R. G.)	5,130.54	15,248,527	403,540,585	3.78%	2,972
St. L.-S. W. (Inc. S. T. L. S. W. of T.)	1,775.98	4,386,825	119,268,516	3.68%	2,470
S. A. & A. P.	739.36	253,430	26,577,129	.95%	343
S. A. U. & G.	317.26	7,269	5,906,481	.12%	23
Sou. Pac. (Tex. & La.)	3,610.98	4,935,506	209,995,014	2.35%	1,367
T. & P.	1,952.74	3,629,472	136,241,892	2.66%	1,859
T. & B. V.	368.89	13,858D	12,031,536	.12%D	38D
V. S. & P.	171.44	368,823	10,864,250	3.39%	2,151
Wich. Val.	256.77	240,552	6,047,103	3.98%	937
Total	51,037.91	$114,387,110	$3,263,218,992	3.51%	$2,241
Total Excl. A. T. & S. F. and C. R. I. & P.	34,525.70	$64,943,632	$2,081,943,662	3.12%	$1,881

D—Denotes deficit.

g Income per Mile of Road, for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1922

Carriers in Western Trunk Line Territory

Net ry. operating ncome per ile of road (6)	Road (7)	Average Miles of road operated (8)	Net railway operating income (9)	Investment in road and equip. inc. material & supplies and cash (10)	Rate of return (11)	Net railway operating income per mile of road (12)
$3,436	A. T. & S. F.	8,857.21	$35,509,009	$789,712,994	4.50%	$4,009
1,806	C. R. I. & P.	7,655.00	13,934,469	391,562,336	3.56%	1,820
5,343	C. & A.	1,050.51	1,532,188	148,346,953	1.03%	1,459
679	C. & E. I.	945.13	2,721,469	86,928,932	3.13%	2,879
3,198	C. & N. W.	8,403.82	17,036,305	491,509,790	3.47%	2,027
1,137	C. B. & Q.	9,393.69	25,152,174	590,890,781	4.26%	2,678
644D	C. G. W.	1,496.06	265,187	170,411,060	.16%	177
3,939	C. M. & St. P.	11,029.86	13,284,245	717,686,935	1.85%	1,204
1,674	C. St. P. M. & O.	1,749.19	3,812,671	92,812,032	4.11%	2,180
2,301	D. S. S. & A.	591.30	86,963	49,808,453	.17%	147
258	E. J. & E.	459.22	5,152,091	52,223,041	9.87%	11,219
3,010	G. B. & W.	257.46	159,402	11,207,814	1.42%	619
255	I. C.	4,784.52	25,121,128	443,054,986	5.67%	5,250
2,781	L. S. & Ishpeming	33.43	370,053	4,834,670	7.65%	11,069
	M. & St. L.	1,649.90	883,800	66,837,863	1.32%	536
1,136						
2,972	M. St. P. & S. S. M.	4,383.57	7,178,972	216,827,157	3.31%	1,638
2,470	Q. O. & K. C.	252.72	168,319D	6,403,466	2.63%D	666D
343	Wabash	2,472.96	4,107,421	232,063,820	1.77%	1,661
23						
1,367						
1,859						
38D						
2,151						
937						
$2,241	Total	65,465.55	$156,139,228	$4,562,123,083	3.42%	$2,385
$1,881	Total Excl. A. T. & S. F. and C. R. I. & P.	48,953.34	$106,695,750	$3,380,847,753	3.16%	$2,180

Net Railway Operating Income, Investment in Road and Equipment, Rate of Return and Net Railway Operating Income per Mile of Ro

Carriers in Southwestern Territory

Road	Average miles of road operated	Net railway operating income	Investment in road and equip. inc. material & supplies and cash	Rate of return	Net railway operating income per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. S. F.)	11,724.23	$46,036,391	$925,805,514	4.97%	$3,927
C. R. I. & P. (Inc. C. R. I. & G.)	8,096.36	14,841,165	423,840,041	3.50%	1,833
Ft. W. & D. C.	456.31	3,877,039	33,347,986	8.63%	6,305
Ft. S. & W.	249.75	66,418	7,255,874	.92%	266
Gulf Coast Lines	860.19	3,444,112	40,422,337	8.52%	4,004
I. & G. N.	1,159.50	2,176,504	45,707,569	4.76%	1,877
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	20,100D	29,897,251	.07%D	27D
K. C. S. (Inc. T. & Ft. S.)	848.68	3,537,100	111,138,841	3.18%	4,168
K. O. & G.	314.42	245,275	18,731,839	1.31%	780
La. & Ark.	302.25	850,188	14,641,657	5.81%	2,813
L. Ry. & N. Co. (Inc. L. R. & N. Co. of T.)	549.75	170,210	26,655,944	.64%	310
Mid. Val.	365.31	1,136,677	21,254,409	5.35%	3,112
M. & N. A.	364.57	112,799	4,107,202	2.75%	309
M. K. & T. (Inc. M. K. & T. of T.) and W. F. & N. W.	3,359.76	8,809,589	280,959,482	3.14%	2,622
Mo. Pac.	7,235.72	8,893,245	415,497,923	2.14%	1,229
St. L.-S. F. (Inc. S. T. L. S. F. & T. and Ft. W. & R. G.)	5,120.84	18,479,385	419,768,911	4.40%	3,609
St. L. S. W. (Inc. S. T. L. S. W. of T.)	1,775.85	5,564,801	123,241,029	4.52%	3,134
S. A. & A. P.	739.36	849,287	27,178,865	3.12%	1,149
S. A. U. & G.	317.26	117,264	6,004,560	1.95%	370
Sou. Pac. (Tex. & La.)	3,610.98	5,250,119	216,060,753	2.43%	1,454
T. & P.	1,952.74	5,237,535	139,831,606	3.75%	2,682
T. & B. V.	368.89	411,569	13,028,198	3.16%	1,116
V. S. & P.	184.21	690,832	11,207,466	6.16%	3,750
Wich. Val.	269.06	398,106	6,563,005	6.07%	1,480
Total	50,963.94	$130,175,510	$3,362,148,262	3.87%	$2,554
Total Excl. A. T. & S. F. and C. R. I. & P.	34,371.84	$75,238,851	$2,129,590,983	3.53%	$2,189

D—Denotes deficit.

come per Mile of Road Operated for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1923

Carriers in Western Trunk Line Territory

Net railway operating income per mile of road	Road	Average Miles of road operated	Net railway operating income	Investment in road and equip. inc. material & supplies and cash	Rate of return	Net railway operating income per mile of road
(6)	(7)	(8)	(9)	(10)	(11)	(12)
$3,927	A. T. & S. F.	8,956.97	$40,815,194	$828,194,908	4.93%	$4,557
1,833	C. R. I. & P.	7,635.13	14,121,465	404,362,371	3.49%	1,850
6,305	C. & A.	1,050.40	5,319,568	153,533,836	3.46%	5,064
266	C. & E. I.	945.13	3,324,116	90,481,188	3.67%	3,517
4,004	C. & N. W.	8,462.53	15,843,375	521,721,659	3.04%	1,872
1,877	C. B. & Q.	9,401.41	25,365,567	598,511,395	4.24%	2,998
27D	C. G. W.	1,496.06	2,118,672	173,023,321	1.22%	1,416
4,168	C. M. & St. P.	11,010.74	20,167,713	738,221,916	2.73%	1,832
780	C. St. P. M. & O.	1,749.19	3,028,915	91,325,691	3.32%	1,732
2,813	D. S. S. & A.	591.30	606,570	50,060,832	1.21%	1,026
310	E. J. & E.	459.72	5,409,365	56,707,381	9.54%	11,767
3,112	G. B. W.	234.15	121,487	11,337,359	1.07%	519
309	I. C.	4,840.25	22,906,244	499,589,370	4.59%	4,732
2,622	L. S. & Ishpeming	33.43	389,889	5,049,639	7.72%	11,663
	M. & St. L.	1,649.90	825,341	67,397,629	1.22%	500
1,229						
3,609	M. St. P. & S. S. M.	4,396.49	8,204,096	218,611,832	3.75%	1,866
3,134	Q. O. & K. C.	250.84	180,299D	6,499,366	2.77%D	719D
1,149	Wabash	2,476.59	8,941,275	242,182,617	3.69%	3,610
370						
1,454						
2,682						
1,116						
3,750						
1,480						
2,554	Total	65,640.23	$177,328,553	$4,756,812,310	3.73%	$2,702
2,189	Total Excl. A. T. & S. F. and C. R. I. & P.	49,048.13	$122,391,894	$3,524,255,031	3.47%	$2,495

Net Railway Operating Income, Investment in Road and Equipment, Rate of Return and Net Railway Operating Income per Mile of R

Carriers in Southwestern Territory

Road	Average miles of road operated	Net railway operating income	Investment in road and equip. inc. material & supplies and cash	Rate of return	Net railway operating income per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. S. F.)	11,836.98	$47,283,279	$983,607,130	4.81%	$3,995
C. R. I. & P. (Inc. C. R. I. & G.)	8,072.69	17,713,589	429,395,568	4.13%	2,194
Ft. W. & D. C.	456.64	3,832,662	36,438,431	10.52%	8,393
Ft. S. & W.	249.75	252,843	7,307,863	3.46%	1,012
Gulf Coast Lines	860.19	3,955,601	40,880,656	9.68%	4,599
I. G. N.	1,159.50	2,572,290	49,518,052	5.19%	2,218
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	142,202	30,430,263	.47%	193
K. C. S. (Inc. T. & F. T. S.)	854.09	3,864,376	112,129,052	3.45%	4,525
K. . & G.	314.42	32,292	19,267,943	.17%	103
La. & Ark.	302.25	602,473	14,838,553	4.06%	1,993
L. Ry. & N. Co. (Inc. L. R. & N. of T)	544.71	305,001D	26,830,542	1.14%D	560D
Mid. Val.	364.90	1,150,881	21,552,536	5.34%	3,154
M. & N. A.	364.57	62,733	4,262,557	1.47%	172
M. K. & T. (Inc. K. & T. of T.) and W. F. & N. W.	3,193.14	12,587,498	283,637,547	4.44%	3,942
Mo. Pac.	7,359.97	15,817,584	435,286,582	3.63%	2,149
St. L. S. F. (Inc. St. L. S. F. & T.) and Ft. W. & R. G.	5,132.24	20,824,430	424,285,036	4.91%	4,058
St. L. S. W. (Inc. St. L. S. W. of T.)	1,777.01	4,686,370	127,290,945	3.68%	2,637
S. A. & A. P.	739.36	758,461	28,013,836	2.71%	1,026
S. A. U. & G.	317.26	140,761	6,163,490	2.28%	444
Sou. Pac. (Tex. & La.)	3,616.67	8,814,784	222,183,405	3.97%	2,437
T. & P.	1,952.74	5,801,611	145,266,900	3.99%	2,971
T. & B. V.	368.89	99,706D	12,780,393	.78%D	270D
V. S. & P.	188.46	480,047	12,008,608	4.00%	2,547
Wich. Val.	271.92	608,161	6,729,282	9.04%	2,237
Total	51,036.30	$151,580,221	$3,480,105,170	4.36%	$2,970
Total Excl. A. T. & S. F. and C. R. I. & P.	34,355.23	$97,040,532	$2,186,939,915	4.44%	$2,825

D—Denotes deficit.

come per Mile of Road Operated for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1924

Carriers in Western Trunk Line Territory

Net railway operating income per mile of road (6)	Road (7)	Average Miles of road operated (8)	Net railway operating income (9)	Investment in road and equip. inc. material & supplies and cash (10)	Rate of return (11)	Net railway operating income per mile of road (12)
$3,995	A. T. & S. F.	9,069.61	$38,348,299	$883,720,830	4.34%	$4,228
2,194	C. R. I. & P.	7,611.46	16,191,390	409,444,425	3.95%	2,127
8,393	C. & A.	1,050.86	4,394,793	158,372,764	2.77%	4,182
1,012	C. & E. I.	945.13	1,467,259	90,598,937	1.62%	1,552
4,599	C. & N. W.	8,462.83	16,784,051	520,202,466	3.23%	1,983
2,218	C. B. & Q.	9,407.23	28,742,112	611,038,510	4.70%	3,055
193	C. G. W.	1,496.06	2,234,046	174,147,937	1.28%	1,493
4,525	C. F. St. P.	10,986.92	18,972,106	742,082,556	2.56%	1,727
103	C. St. P. M. & O.	1,749.19	3,408,989	91,467,875	3.73%	1,949
1,993	D. S. S. & A.	591.30	445,046	50,441,133	.88%	753
560D	E. J. & E.	459.77	3,311,421	58,753,474	5.64%	7,202
3,154	G. B. & W.	234.15	191,772	11,412,781	1.68%	819
172	I. C.	4,849.74	23,761,649	527,534,762	4.50%	4,900
3,942	L. S. & Ishpeming	161.51	251,166	8,036,393	3.13%	1,555
2,149	M. & St. L.	1,647.26	959,951D	67,626,166	1.42D	583D
4,058	M. St. P. S. S. M.	4,402.53	6,776,158	222,809,034	3.04%	1,539
2,637	Q. O. & K. C.	250.84	168,246D	6,461,201	2.60%D	671D
1,026	Wabash	2,489.93	9,347,780	252,131,184	3.71%	3,754
444						
2,437						
2,971						
270D						
2,547						
2,237						
$2,970	Total	65,866.32	$173,499,840	$4,886,282,428	3.55%	$2,634
$2,825	Total Excl. A. T. & S. F. and C. R. I. & P.	49,185.25	$118,960,151	$3,593,117,173	3.31%	$2,419

Net Railway Operating Income, Investment in Road and Equipment, Rate of Return and Net Railway Operating Income per Mile of R

Carriers in Southwestern Territory

Road	Average miles of road operated (°)	Net railway operating income (*)	Investment in road and equip. inc. material & supplies and cash (xx)	Rate of return	Net railway operating income per mile of road	
(1)	(2)	(3)	(4)	(5)	(6)	
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,952.84	$52,957,078	$983,607,130	5.38%	$4,431	A. T
C. R. I. & P. (Inc. C. R. I. & G.)	8,029.54	17,214,819	429,395,568	4.01%	2,144	C. I
Ft. W. & D. C.	474.87	3,349,949	36,438,431	9.19%	7,054	C. &
Ft. S. & W.	249.75	297,432	7,307,863	4.07%	1,191	C. &
Gulf Coast Lines	860.19	4,001,373	40,880,656	9.79%	4,652	C. &
I. & G. N.	1,159.50	2,273,491	49,518,052	4.59%	1,961	C. I
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	299,273	30,430,263	.98%	406	C.
K. C. S. (In . T. & Ft. S.)	858.12	4,505,536	112,129,052	4.02%	5,250	C. I
K. O. & G.	314.42	15,644D	19,267,943	.08%D	50D	C.
La. & Ark.	302.25	831,940	14,838,553	5.61%	2,752	D.
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	543.71	14,683D	26,830,542	.05%D	27D	E.
Mid. Val.	364.04	1,213,412	21,552,536	5.63%	3,333	G.
M. & N. A.	364.57	3,363	4,262,557	.08%	9	I. C
M.-K.-T. (Inc. M.-K.-T. of T. and W. F. & N. W.)	3,188.54	12,614,638	283,637,547	4.45%	3,956	L.
						M.
Mo. Pac.	7,337.61	17,955,938	435,286,582	4.13%	2,447	
St. L.-S. F. (Inc. L. S. F. & T. and Ft. W. & R. G.)	5,281.30	21,912,745	429,363,526	5.10%	4,149	M.
St. L. S. W. (Inc. St. L. S. W. of T.)	1,750.44	4,502,192	127,290,945	3.54%	2,572	Q.
S. A. & A. P.	Included with Sou. Pac.					W.
S. A. U. & G.	318.32	168,439	6,163,490	2.73%	529	
Sou. Pac. (Tex. & La.)	4,371.69	8,189,469	250,197,241	3.27%	1,873	
T. & P.	1,952.91	5,730,516	145,266,900	3.94%	2,934	
T. & B. V.	368.12	425,535D	12,780,393	3.33%D	1,156D	
V. S. & P.	188.46	602,065	12,008,608	5.01%	3,195	
Wich. Val.	271.86	475.741	6,729,282	7.07%	1,750	
Total	51,241.00	$158,643,547	$3,485,183,660	4.55%	$3,096	
Total Excl. A. T. & S. F. and C. R. I. & P.	34,485.86	$97,110,809	$2,192,018,405	4.43%	$2,816	

D—Denotes Deficit.

(°)—Average of eleven months ended November 30, 1925.

(*)—December 1925 estimated on basis of considering one-eleventh of the Net Railway Operating Income for the eleven months ended November 30, 1925, as representative of that for December 1925.

(xx)—As of beginning of year.

e per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1925

Carriers in Western Trunk Line Territory

ailway ating ne per f road	Road	Average Miles of road operated (°)	Net railway operating income (*)	Investment in road and equip. inc. material & supplies and cash (xx)	Rate of return	Net railway operating income per mile of road
(6)	(7)	(8)	(9)	(10)	(11)	(12)
431	A. T. & S. F.	9,185.51	$45,461,964	$883,720,830	5.14%	$4,949
144	C. R. I. & P.	7,569.63	16,070,774	409,444,425	3.93%	2,123
054	C. & A.	1,055.92	4,527,862	158,372,764	2.86%	4,288
191	C. & E. I.	945.13	1,933,539	90,598,937	2.13%	2,046
652	C. & N. W.	8,461.56	21,550,480	520,202,466	4.14%	2,547
961	C. B. & Q.	9,398.10	28,138,843	611,038,510	4.61%	2,994
406	C. G. W.	1,496.06	2,003,776	174,147,937	1.15%	1,339
250	C. M. & St. P.	11,204.93	15,918,947	742,082,556	2.15%	1,421
50D	C. St. P. M. & O.	1,749.19	3,166,636	91,467,875	3.46%	1,810
752	D. S. S. & A.	590.91	691,034	50,441,133	1.37%	1,169
27D	E. J. & E.	459.79	4,255,143	58,753,474	7.24%	9,255
333	G. B. & W.	234.15	258,327	11,412,781	2.26%	1,103
9	I. C.	4,874.99	24,913,612	527,534,762	4.72%	5,110
956	L. S. & Ishpeming	161.51	738,604	8,036,393	9.19%	4,573
	M. & St. L.	1,635.41	243,532	67,626,166	.36%	149
447						
149	M. St. P. & S. S. M.	4,401.64	9,131,785	222,809,034	4.10%	2,075
572	Q. O. & K. C.	250.84	172,283D	6,461,201	2.67%D	687D
	Wabash	2,524.20	11,709,035	252,131,184	4.64%	4,639
529						
873						
934						
156D						
195						
750						
096	Total	66,199.47	$190,541,655	$4,886,282,428	3.90%	$2,878
	Total, Excl. A. T. & S. F. and C. R. I. & P.	49,444.33	$129,008,917	$3,593,117,173	3.59%	$2,609
816						

Novem-

Summary Comparing Capital Stock Outstanding, Dividends Declared, Percent of Dividends to Capital Stock and Dividends Per Mile of Road Operated 1922, 1923 and 192

Year	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends per mile of road	
(1)	(2)	(3)	(4)	(5)	(6)	
Including A. T. & S. F. Ry. and C. R. I. & P. Ry. in Both Southw						
1916	50,992.76	$969,214,651	$21,527,927	2.22%	$422	191
1917	51,024.05	1,107,419,576	26,846,625	2.42%	526	191
1921	51,127.03	1,113,873,545	26,540,718	2.38%	519	192
1922	51,037.91	1,112,865,045	27,436,489	2.47%	538	192
1923	50,963.94	1,141,908,788	28,973,358	2.54%	569	192
1924	51,036.30	1,165,273,353	34,537,419	2.96%	677	192
Average of 6 years	51,030.33	$1,101,759,160	$27,643,756	2.51%	$542	
Excluding A. T. & S. F. Ry. and C. R. I. & P. Ry. from Both Southw						
1916	34,743.88	$553,980,928	$2,505,492	.45%	$72	191
1917	34,637.18	633,885,693	2,371,763	.37%	68	191
1921	34,631.72	635,261,833	3,245,918	.51%	94	192
1922	34,525.70	632,599,833	4,054,809	.64%	117	192
1923	34,371.84	656,284,576	5,289,293	.81%	154	192
1924	34,355.23	679,659,041	10,236,000	1.51%	298	192
Average of 6 years	34,544.26	$631,945,317	$4,617,212	.73%	$134	

Mile of Road Operated, for Class I Railways in Southwestern and Western Trunk Line Territories, for the Years Ended December 31, 1916, 1917, 1921, 1922, 1923 and 1924

vidends per ile of road	Year	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends per mile of road
(6)	(7)	(8)	(9)	(10)	(11)	(12)
y. in Both Southwestern Territory and Western Trunk Line Territory						
$422	1916	64,804.89	$1,449,663,325	$68,190,317	4.70%	$1,052
526	1917	64,976.41	1,522,942,542	84,705,868	5.56%	1,304
519	1921	65,334.42	1,581,169,194	89,584,398	5.67%	1,371
538	1922	65,465.55	1,620,262,982	61,143,745	3.77%	934
569	1923	65,640.23	1,646,772,807	59,989,461	3.64%	914
677	1924	65,866.32	1,658,216,315	59,321,019	3.58%	901
$542	Average of 6 years	65,347.97	$1,579,837,861	$70,489,135	4.46%	$1,079
s from Both Southwestern Territory and Western Trunk Line Territory						
$72	1916	48,556.01	$1,034,429,602	$49,167,882	4.75%	$1,013
68	1917	48,589.54	1,049,408,659	60,231,006	5.74%	1,240
94	1921	48,839.11	1,102,557,482	66,289,598	6.01%	1,357
117	1922	48,953.34	1,139,997,770	37,762,065	3.31%	771
154	1923	49,048.13	1,161,148,595	36,305,396	3.13%	740
298	1924	49,185.25	1,172,602,003	35,019,600	2.99%	712
134	Average of 6 years	48,861.90	$1,110,024,019	$47,462,591	4.28%	$971

Capital Stock Outstanding, Dividends Declared, Percent of Dividends to Capital Stock and Dividends per Mile of Road Operated

Carriers in Southwestern Territory

Road	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends Per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F)	11,244.40	$345,915,700	$19,022,435	5.50%	$1,692
C. R. I. & P. (Inc. C. R. I. & G.)	8,090.40	74,951,523	.....	.....	.....
Ft. W. & D. C.	454.14	9,243,800	639,152	6.91%	1,407
Ft. S. & W.	253.65	5,000,000	.....	.....	.....
Gulf Coast Lines	897.64	15,585,000	.....	.....	.....
I. & G. N.	1,159.50	4,822,000	.....	.....	.....
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	46,000,000	.....	.....	.....
K. C. S. (Inc. T. & Ft. S.)	842.73	51,059,900	840,000	1.65%	997
K. O. & G.	332.36	8,474,000	.....	.....	.....
La. & Ark	278.72	5,000,000	.....	.....	.....
L. Ry. & N. Co.	349.18	8,131,000	.....	.....	.....
Mid. Val.	383.02	8,013,000	.....	.....	.....
M. & N. A.	365.24	8,340,000	.....	.....	.....
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	3,865.02	86,435,757	.....	.....	.....
Mo. Pac.	7,437.26	82,841,085	.....	.....	.....
S. T. L. S. F. (Inc. S. T. L. S. F. & T. & F. T. W. & R. G.)	5,231.11	61,679,326	.....	.....	.....
S. T. L. S. W. (Inc. S. T. L. S. W. of T.)	1,753.83	38,999,750	.....	.....	.....
S. A. & A. P.	732.65	1,000,000	.....	.....	.....
S. A. U. & G.	317.26	280,000	.....	.....	.....
Sou. Pac. (Tex. & La.)	3,534.70	62,364,400	919,200	1.47%	260
T. & P.	1,946.50	38,755,110	.....	.....	.....
T. & B. V.	357.21	304,000	.....	.....	.....
V. S. & P.	171.47	4,999,300	107,140	2.14%	625
Wichita Val.	256.90	1,020,000	.....	.....	.....
Total	50,992.76	$969,214,651	$21,527,927	2.22%	$422
Total excl. A. T. & S. F. & C. R. I. & P.	34,743.88	$553,980,928	$2,505,492	.45%	$72

ile of Road Operated for Class I Railways in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1916

Carriers in Western Trunk Line Territory

Dividends Per mile of road (6)	Road (7)	Average mile of road operated (8)	Capital stock outstanding (9)	Dividends declared (10)	Percent of dividends to capital stock (11)	Dividends per mile of road (12)
$1,692	A. T. & S. F.	8,636.42	$340,751,200	$19,022,435	5.58%	$2,203
.....	C. R. I. & P.	7,612.46	74,482,523	.....	.....	.....
1,407	C. & A.	1,052.65	39,955,500	.....	.....	.....
.....	C. & E. I.	1,160.62	18,302,752	.....	.....	.....
.....	C. & N. W.	8,423.55	152,606,807	10,899,615	7.14%	1,294
.....	C. B. & Q.	9,370.39	110,839,100	8,867,128	8.00%	946
.....	C. G. W.	1,490.22	89,137,115	877,358	.98%	589
997	C. M. St. P.	10,196.25	233,287,984	13,979,506	5.99%	1,371
.....	C. St. P. M. & O.	1,752.81	29,818,946	2,093,529	7.02%	1,194
.....	D. S. S. & A.	602.42	22,000,000	.....	.....	.....
.....	E. J. & E.	797.36	10,000,000	400,000	4.00%	502
.....	G. B. & W.	252.70	10,100,000	198,750	1.97%	787
.....	I. C. S.	4,766.79	109,281,822	8,743,282	8.00%	1,834
.....	L. S. & Ishpeming	34.04	1,000,000	.....	.....	.....
.....	M. & St. L.	1,646.75	25,792,600	.....	.....	.....
.....	M. St. P. & S. S. M.	4,228.11	37,822,536	2,646,714	7.00%	625
.....	Q. O. & K. C.	262.29	6,000,000	.....	.....	.....
.....	Wabash	2,519,06	138,484,440	462,000	.33%	183
.....						
260						
.....						
.....						
625						
.....						
$422	Total	64,804.89	$1,449,663,325	$68,190,317	4.70%	$1,052
$72	Total excl. A. T. S. F. & C. R. I. & P.	48,556.01	$1,034,429,602	$49,167,882	4.75%	$1,013

Capital Stock Outstanding, Dividends Declared, Percent of Dividends to Capital Stock and Dividends per Mile of Road Operated

Carriers in Southwestern Territory

Road	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. &. S. F.)	11,269.32	$357,907,200	$22,695,088	6.34%	$2,014
C. R. I. & P. (Inc. C. R. I. & G.)	8,219.36	129,373,683	1,779,774	1.38%	217
Ft. W. & D. C.	454.14	9,243,800	639,152	6.91%	1,407
Ft. S. & W.	253.65	5,000,000	.....	.....	.....
Gulf Coast Lines	858.15	15,585,000	.....	.....	.....
I. & G. N.	1,159.50	4,882,000	.....	.....	.....
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	46,000,000	.....	.....	.....
K. C. S. (Inc. T. & Ft. S.)	861.73	51,059,900	840,000	1.65%	975
K. O. & G.	332.00	8,474,000	.....	.....	.....
La. & Ark.	302.34	5,000,000	.....	.....	.....
L. Ry. & N. Co.	352.37	8,131,000	.....	.....	.....
Mid. Val.	383.66	8,005,750	.....	.....	.....
M. & N. A.	365.24	8,340,000	.....	.....	.....
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	3,866.31	86,435,757	.....	.....	.....
Mo. Pac.	7,325.41	154,639,600	.....	.....	.....
St. L.-S. F. (Inc. St. L.-S. F. & T. & Ft. W. & R. G.)	5,181.17	61,679.326	.....	.....	.....
St. L. S. W. (Inc. St. L. S. W. of T.)	1,753.50	38,999,750	.....	.....	.....
S. A. & A. P.	726.25	1,000,000	.....	.....	.....
S. A. U. & G.	317.26	280,000	.....	.....	.....
Sou. Pac. (Tex. & La.)	3,561.15	62,364,400	619,200	.99%	174
T. & P.	1,946.50	38,755,110	.....	.....	.....
T. & B. V.	368.80	304,000	.....	.....	.....
V. S. & P.	171.47	4,999,300	171,411	3.43%	1,000
Wich. Val.	256.00	1,020,000	102,000	10.00%	397
Total	51,024.05	$1,107,419,576	$26,846,625	2.42%	$526
Total excl. A. T. & S. F. & C. R. I. & P.	34,637.18	$633,885,693	$2,371,763	.37%	$68

ile of Road Operated for Class I Railways in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1917

Carriers in Western Trunk Line Territory

Dividends per mile of road	Road	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends per mile of road
(6)	(7)	(8)	(9)	(10)	(11)	(12)
$2,014	A. T. & S. F.	8,642.32	$344,629,200	$22,695,088	6.59%	$2,626
217	C. R. I. & P.	7,744.55	128,904,683	1,779,774	1.38%	230
1,407	C. & A.	1,052.65	39,955,500	.....	.....	.....
.....	C. & E. I.	1,131.39	18,282,452	.....	.....	.....
.....	C. & N. W.	8,423.80	167,648,497	11,688,967	6.97%	1,388
.....	C. B. & Q.	9,373.38	110,839,100	19,951,038	18.00%	2,128
.....	C. G. W.	1,496.06	89,137,115	439,266	.49%	294
975	C. M. & St. P.	10,256.53	233,287,984	13,392,476	5.74%	1,306
.....	C. St. P. M. & O.	1,749.33	29,818,946	1,715,986	5.75%	981
.....	D. S. S. & A.	600.82	22,000,000	.....	.....	.....
.....	E. J. & E.	802.99	10,000,000	400,000	4.00%	498
.....	G. B. & W.	253.80	10,100,000	225,000	2.23%	886
.....	I. C.	4,766.04	109,291,392	7,923,559	7.25%	1,663
.....	L. S. & Ishpeming	34.04	1,000,000	.....	.....	.....
.....	M. & St. L.	1,646.75	25,792,600	.....	.....	.....
.....	M. St. P. & S. S. M.	4,227.81	37,822,536	2,646,714	7.00%	626
.....	Q. O. & K. C.	255.09	6,000,000	.....	.....	.....
.....	Wabash	2,519.06	138,432,537	1,848,000	1.33%	734
.....						
174						
.....						
.....						
1,000						
397						
$526	Total	64,976.41	$1,522,942,542	$84,705,868	5.56%	$1,304
$68	Total excl. A. T. & S. F. & C. R. I. & P.	48,589.54	1,049,408,659	60,231,006	5.74%	$1,240

Capital Stock Outstanding, Dividends Declared, Percent of Dividends to Capital Stock and Dividends per Mile of Road Operated

Carriers in Southwestern Territory

Road	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends Per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,599.03	$362,849,200	$19,727,105	5.44%	$1,701
C. R. I. & P. (Inc. C. R. I. & G.)	8,122.83	129,509,512	3,567,695	2.75%	439
Ft. W. & D. C.	454.14	9,243,800	916,466	9.91%	2,018
Ft. S. & W.	249.75	5,000,000	.....	.....	.....
Gulf Coast Lines	860.19	15,585,000	816,682	5.24%	949
I. & G. N.	1,159.50	4,822,000	.....	.....	.....
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	46,000,000	.....	.....	.....
K. C. S. (Inc. T. & Ft. S.)	863.15	51,059,900	840,000	1.65%	973
K. O. & G.	317.29	9,850,140	.....	.....	.....
La. & Ark.	302.34	5,000,000	.....	.....	.....
L. Ry. & N. Co.	343.67	8,131,100	.....	.....	.....
Mid. Val.	365.88	8,005,750	.....	.....	.....
M. & N. A.	364.57	8,340,000	.....	.....	.....
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	3,783.69	86,435,757	.....	.....	.....
Mo. Pac.	7,300.36	154,639,600	.....	.....	.....
St. L. S. F. (Inc. St. L.-S. F. & T. & Ft. W. & R. G.)	5,130.58	61,679,326	.....	.....	.....
St. L. S. W. (Inc. St. L. S. W. of T.)	1,775.98	38,999,750	.....	.....	.....
S. A. & A. P.	739.36	1,000,000	.....	.....	.....
S. A. U. & G.	317.26	280,000	.....	.....	.....
Sou. Pac. (Tex. & La.)	3,592.27	62,364,400	619,200	.99%	172
T. & P.	1,951.14	38,755,110	.....	.....	.....
T. & B. V.	368.00	304,000	.....	.....	.....
V. S. & P.	171.44	4,999,300	53,570	1.07%	312
Wich. Val.	255.66	1,020,000	.....	.....	.....
Total	51,127.03	$1,113,873,545	$26,540,718	2.38%	$519
Total Excl. A. T. & S. F. & C. R. I. & P.	34,631.72	635,261,833	3,245,918	.51%	94

Mile of Road Operated for Class I Railways in Southwestern and Western Trunk Line Territories, for the year Ended December 31, 1921

Carriers in Western Trunk Line Territory

Dividends Per mile of road (6)	Road (7)	Average mile of road operated (8)	Capital stock outstanding (9)	Dividends declared (10)	Percent of dividends to capital stock (11)	Dividends per mile of road (12)
$1,701	A. T. & S. F.	8,833.70	$349,571,200	$19,727,105	5.64%	$2,233
439	C. R. I. & P.	7,661.61	129,040,512	3,567,695	2.76%	466
2,018	C. & A.	1,050.51	39,955,500	.....	.....	.....
.....	C. & E. I.	1,130.81	19,380,452	.....	.....	.....
949	C. & N. W.	8,402.28	167,606,682	8,825,275	5.27%	1,050
.....	C. B. & Q.	9,393.07	170,839,100	44,925,917	26.30%	4,783
.....	C. G. W.	1,496.06	89,137,115	.....	.....	.....
973	C. M. & St. P.	10,808.63	233,287,984	.....	.....	.....
.....	C. St. P. M. & O.	1,749.19	29,818,946	1,715,986	5.75%	981
.....	D. S. S. & A.	591.80	22,000,000	.....	.....	.....
.....	E. J. & E.	456.59	10,000,000	400,000	4.00%	876
.....	G. B. & W.	252.39	2,500,000	125,000	5.00%	495
.....	I. C.	4,799.37	109,295,867	7,650,706	7.00%	1,594
.....	L. S. & Ishpeming	33.43	1,000,000	.....	.....	.....
.....	M. & St. L.	1,651.01	25,792,600	.....	.....	.....
.....	M. St. P. & S. S. M.	4,298.09	37,822,536	2,646,714	7.00%	616
.....	Q. O. & K. C.	252.92	6,000,000	.....	.....	.....
.....	Wabash	2,472.96	138,120,700	.....	.....	.....
.....						
172						
.....						
.....						
312						
.....						
$519	Total	65,334.42	$1,581,169,194	$89,584,398	5.67%	$1,371
94	Total Excl. A. T. & S. F. & C. R. I. & P.	48,839.11	1,102,557,482	66,289,598	6.01%	1,357

Capital Stock Outstanding, Dividends Declared, Percent of Dividends to Capital Stock and Dividends per Mile of Road Opera

Carriers in Southwestern Territory

Road	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,622.74	$364,504,200	$19,814,345	5.44%	$1,705
C. R. I. & P. (Inc. C. R. I. & G.)	8,116.23	129,508,012	3,567,335	2.75%	440
Ft. W. & D. C.	456.31	9,243,800	916,466	9.91%	2,008
Ft. S. & W	249.75	5,000,000	.....	.....	.....
Gulf Coast Lines	860.19	15,585,000	889,862	5.71%	1,034
I. & G. N.	1,159.50	7,500,000	.....	.....	.....
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	46,000,000	.....	.....	.....
K. C. S. (Inc. T. & Ft. S.)	862.93	51,059,900	840,000	1.65%	973
K. O. & G.	314.45	9,850,140	.....	.....	.....
La. & Ark.	302.25	5,000,000	.....	.....	.....
L. Ry. & N. Co.	343.67	8,131,000	.....	.....	.....
Mid. Val.	365.45	8,005,750	.....	.....	.....
M. & N. A.	323.29	3,000,000	.....	.....	.....
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	3,737.46	86,435,757	.....	.....	.....
Mo. Pac.	7,261.78	154,639,600	.....	.....	.....
St. L. S. F. (Inc. St. L. S. F. & T. & Ft. W. & R. G.)	5,130.54	61,679,326	.....	.....	.....
St. L. S. W. (Inc. St. L. S. W. of T.)	1,775.98	38,999,750	497,341	1.28%	280
S. A. & A. P.	739.36	1,000,000	.....	.....	.....
S. A. U. & G.	317.26	280,000	.....	.....	.....
Sou. Pac. (Tex. & La.)	3,610.98	62,364,400	600,000	.96%	166
T. & P.	1,952.74	38,755,110	.....	.....	.....
T. & B. V.	368.89	304,000	.....	.....	.....
V. S. & P.	171.44	4,999,300	107,140	2.14%	625
Wich. Val.	256.77	1,020,000	204,000	20.00%	794
Total	51,037.91	$1,112,865,045	$27,436,489	2.47%	$538
Total Excl. A. T. & S F. & C. R I. & P.	34,525.70	632,599.833	4,054,809	.64%	117

ile of Road Operated for Class I Railways in Southwestern and Western Trunk Line Territories, for the year Ended December 31, 1922

Carriers in Western Trunk Line Territory

Dividends per mile of road (6)	Road (7)	Average miles of road operated (8)	Capital stock outstanding (9)	Dividends declared (10)	Percent of dividends to capital stock (11)	Dividends per mile of road (12)
$1,705	A. T. & S. F.	8,857.21	$351,226,200	$19,814,345	5.64%	$2,237
440	C. R. I. & P.	7,655.00	129,039,012	3,567,335	2.76%	466
2,008	C. & A.	1,050.51	39,955,500	.....	.....	.....
....	C. & E. I.	945.13	45,891,400	.....	.....	.....
1,034	C. & N. W.	8,403.82	167,606,422	8,825,275	5.27%	1,050
....	C. B. & Q.	9,393.69	170,839,100	17,083,700	10.00%	1,819
....	C. G. W.	1,496.06	89,137,115	.....	.....	.....
973	C. M. & St. P.	11,029.86	233,287,984	.....	.....	.....
....	C. St. P M. & O.	1,749.19	29,818,946	1,715,986	5.75%	981
....	D. S. S. & A.	591.30	22,000,000	.....	.....	.....
....	E. J. & E.	459.22	10,000,000	400,000	4.00%	871
....	G. B. & W.	257.46	2,500,000	125,000	5.00%	486
....	I. C.	4,784.52	120,225,467	8,099,696	6.74%	1,693
....	L. S. & Ishpeming	33.43	1,000,000	.....	.....	.....
....	M. & St. L.	1,649.90	25,792,600	.....	.....	.....
....	M. St. P. & S. S. M.	4,383.57	37,822,536	1,512,408	4.00%	345
280	Q. O. & K. C.	252.72	6,000,000	.....	.....	.....
....	Wabash	2,472.96	138,120,700	.....	.....	.....
....						
166						
....						
....						
625						
794						
538	Total	65,465.55	$1,620,262,982	$61,143,745	3.77%	$934
117	Total Excl. A. T. & S. F. & C. R. I. & P.	48,953.34	1,139,997,770	37,762,065	3 31%	771

Capital Stock Outstanding, Dividends Declared, Percent of Dividends to Capital Stock and Dividends per Mile of Road Operated

Carriers in Southwestern Territory

Road	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. &. S. F.)	11,724.23	$369,870,200	$20,117,930	5.44%	$1,716
C. R. I. & P. (Inc. C. R. I. & G.)	8,096.36	129,501,012	3,566,135	2.75%	440
Ft. W. & D. C.	456.31	9,243,800	1,378,656	14.91%	3,021
Ft. S. & W.	249.75	1,248,000	.....	.....	.....
Gulf Coast Lines	860.19	15,585,000	1,038,198	6.66%	1,207
I. & G. N.	1,159.50	7,500,000	.....	.....	.....
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	46,000,000	.....	.....	.....
K. C. S. (Inc. T. & Ft. S.)	848.68	51,059,900	840,000	1.65%	990
K. O. & G.	314.42	9,850,140	.....	.....	.....
La. & Ark.	302.25	5,000,000	.....	.....	.....
L. A. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	549.75	8,183,500	.....	.....	.....
Mid. Val.	365.31	8,005,750	199,633	2.49%	546
M. & N. A.	364.57	3,000,000	.....	.....	.....
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	3,359.76	113,820,000	.....	.....	.....
Mo. Pac.	7,235.72	154,639,600	.....	.....	.....
St. L. S. F. (Inc. St. L. F. & T. & F. T. & R. G.)	5,120.84	61,679,326	.....	.....	.....
St. L. S. W. (Inc. St. L. S. W. of T.)	1,775.85	38,999,750	994,683	2.55%	560
S. A. & A. P.	739.36	1,000,000	.....	.....	.....
S. A. U. & G.	317.26	280,000	.....	.....	.....
Sou. Pac. (Tex. & La.)	3,610.98	62,364,400	504,000	.81%	140
T. & P.	1,952.74	38,755,110	.....	.....	.....
T. & B. V.	368.89	304,000	.....	.....	.....
V. S. & P.	184.21	4,999,300	232,123	4.64%	1,260
Wich. Val.	269.06	1,020,000	102,000	10.00%	379
Total	50,963.94	$1,141,908,788	$28,973,358	2.54%	$569
Total Excl. A. T. & S. F. & C. R. I. & P.	34,371.84	$656,284,576	$5,289,293	.81%	$154

ile of Road Operated for Class I Railways in Southwestern and Western Trunk Line Territories, for the year Ended December 31, 1923

Carriers in Western Trunk Line Territory

Dividends per mile of road (6)	Road (7)	Average miles of road operated (8)	Capital stock outstanding (9)	Dividends declared (10)	Percent of dividends to capital stock (11)	Dividends per mile of road (12)
$1,716	A. T. & S. F.	8,956.97	$356,592,200	$20,117,930	5.64%	$2,246
440	C. R. I. & P.	7,635.13	129,032,012	3,565,135	2.76%	467
3,021	C. & A.	1,050.40	39,955,500	.....	.....	.....
.....	C. & E. I.	945.13	45,891,400	.....	.....	.....
1,207	C. & N. W.	8,462.53	167,606,122	7,373,750	4.40%	871
.....	C. B. & Q.	9,401.41	170,839,100	17,083,735	10.00%	1,817
.....	C. G. W.	1,496.06	92,002,515	.....	.....	.....
990	C. M. & St. P.	11,010.74	233,287,984	.....	.....	.....
.....	C. St. P. M. & O.	1,749.19	29,818,946	1,252,069	4.20%	716
.....	D. S. S. & A.	591.30	22,000,000	.....	.....	.....
.....						
546	E. J. & E.	459.72	10,000,000	600,000	6.00%	1,305
....	G. B. & W.	234.15	10,100,000	125,000	1.24%	534
....	I. C.	4,840.25	130,911,192	8,308,434	6.35%	1,717
....	L. S. & Ishpeming	33.43	1,000,000	50,000	5.00%	1,496
	M. & St. L.	1,649.90	25,792,600	.....	.....	.....
....						
560	M. St. P. & S. S. M.	4,396.49	37,822,536	1,512,408	4.00%	344
....	Q. O. & K. C.	250.84	6,000,000	.....	.....	.....
....	Wabash	2,476.59	138,120,700	.....	.....	.....
140						
....						
....						
,260						
379						
$569	Total	65,640.23	$1,646,772,807	$59,989,461	3.64%	$914
$154	Total Excl. A. T. & S. F. & C. R. I. & P.	49,048.13	$1,161,148,595	$36,305,396	3.13%	$740

Capital Stock Outstanding, Dividends Declared, Percent of Dividends to Capital Stock and Dividends per Mile of Road Operated by Carriers in Southwestern Territory

Road	Average miles of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F (Inc. G. C. & S. F. & P. & S. F.)	11,836.98	$369,860,300	$20,734,234	5.61%	$1,752
C. R. I. & P. (Inc. C. R. I. & G.)	8,072.69	129,501,012	3,567,185	2.75%	442
Ft. W. & D. C.	456.64	9,243,800	1,378,656	14.91%	3,019
Ft. S. & W.	249.75	1,248,000	.....	.....	.....
Gulf Coast Lines	860.19	15,585,000	4,276,612	27.44%	4,972
I. & G. N.	1,159.50	7,500,000	.....	.....	.....
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	46,000,000	.....	.....	.....
K. C. S. (Inc. T. & Ft. S.)	854.09	51,059,900	840,000	1.65%	984
K. O. G.	314.42	9,521,605	.....	.....	.....
L. A. & Ark.	302.25	5,000,000	.....	.....	.....
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	544.71	8,183,500	.....	.....	.....
Mid. Val.	364.90	8,005,750	199,962	2.50%	548
M. & N. A.	364.57	3,000,000	.....	.....	.....
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	3,193.14	113,820,000	306,261	.27%	96
Mo. Pac.	7,359.97	154,639,600	.....	.....	.....
St. L. S. F. (Inc. St. L. S. F. & T. & Ft. W. & R. G.)	5,132.24	61,679,326	104,628	.17%	20
St. L. S. W. (Inc. St. L. S. W. of T.)	1,777.01	38,999,750	994,683	2.55%	560
S. A. & A. P.	739.36	1,000,000	.....	.....	.....
S. A. U. & G.	317.26	280,000	.....	.....	.....
Sou. Pac. (Tex. & La.)	3,616.67	62,364,400	1,104,000	1.77%	305
T. & P.	1,952.74	62,458,110	707,798	1.13%	362
T. & B. V.	368.89	304,000	.....	.....	.....
V. S. & P.	188.46	4,999,300	221,400	4.43%	1,175
Wich. Val.	271.92	1,020,000	102,000	10.00%	375
Total	51,036.30	$1,165,273,353	$34,537,419	2.96%	$677
Total Excl. A. T. & S. F. & C. R. I. & P.	34,355.23	$679,659,041	$10,236,000	1.51%	$298

of Road Operated for Class I Railways in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1924

Carriers in Western Trunk Line Territory

idends per ile of road	Road	Average mile of road operated	Capital stock outstanding	Dividends declared	Percent of dividends to capital stock	Dividends per mile of road
(6)	(7)	(8)	(9)	(10)	(11)	(12)
,752	A. T. & S. F.	9,069.61	$356,582,300	$20,734,234	5.81%	$2,286
442	C. R. I. & P.	7,641.46	129,032,012	3,567,185	2.76%	469
,019	C. & A.	1,050.86	39,955,500	.....	.....	.....
.....	C. & E. I.	945.13	45,891,400	.....	.....	.....
,972	C. & N. W.	8,462.83	167,581,042	7,373,750	4.40%	871
.....	C. B. & Q.	9,407.23	170,829,100	17,083,765	10.00%	1,816
.....	C. G. W.	1,496.06	92,118,015	.....	.....	.....
984	C. M. & St. P.	10,986.92	233,287,984	.....	.....	.....
.....	C. St. P. M. & O.	1,749.19	29,818,946	562,965	1.89%	322
.....	D. S. S. & A.	591.30	22,000,000	.....	.....	.....
.....	E. J. & E.	459.77	10,000,000	400,000	4.00%	870
548	G. B. & W.	234.15	10,100,000	125,000	1.24%	534
.....	I. C.	4,849.74	141,846,180	9,152,820	6.45%	1,887
96	L. S. & Ishpeming	161.51	1,428,000	321,300	22.50%	1,989
.....	M. & St. L.	1,647.26	25,792,600	.....	.....	.....
20	M. St. P. & S. S. M.	4,402.53	37,822,536	.....	.....	.....
560	Q. O. & K. C.	250.84	6,000,000	.....	.....	.....
.....	Wabash	2,489.93	138,120,700	.....	.....	.....
.....						
305						
362						
.....						
175						
375						
677	Total	65,866.32	$1,658,216,315	$59,321,019	3.58%	$901
298	Total Excl. A. T. & S. F. & C. R. I. & P.	49,185.25	$1,172,602,003	$35,019,600	2.99%	$712

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Summary Comparing Total Operating Revenues, Operating Expenses, Ratio of Operating Expenses to Operating Revenues, and Operating Reve
31st, 1916, 1917, 1921, 1922, 1923

Carriers in Southwestern Territory

Year (1)	Average miles of road operated (2)	Total operating revenues (3)	Total operating expenses (4)	Operating ratio (5)	Operating revenues per mile of road (6)	
			Including A. T. & S. F. Ry. and C. R. I. & P. Ry. in Both Southwestern Ter			
1916	50,992.76	$511,349,551	$346,392,762	67.74%	$10,028	1
1917	51,024.05	585,246,589	393,426,216	67.22%	11,470	1
1921	51,127.03	850,161,300	664,531,619	78.17%	16,628	1
1922	51,037.91	795,423,183	619,514,096	77.88%	15,585	1
1923	50,963.94	853,815,347	660,261,805	77.33%	16,753	1
1924	51,036.30	869,681,162	648,663,680	74.59%	17,040	1
*1925	51,241.00	877,920,402	646,052,144	73.59%	17,133	*1
Average of 7 Years	51,060.43	$763,371,076	$568,406,046	73.46%	$14,950	
			Excluding A. T. & S. F. Ry. and C. R. I. & P. Ry. from Both Sout			
1916	34,743.88	$312,287,761	$220,699,136	70.67%	$8,988	1
1917	34,637.18	358,558,103	241,433,075	67.33%	10,352	1
1921	34,631.72	529,176,922	426,587,119	80.61%	15,280	1
1922	34,525.70	484,712,393	383,396,792	79.10%	14,039	1
1923	34,371.84	525,875,115	414,301,638	78.78%	15,300	1
1924	34,355.23	551,319,830	410,957,316	74.54%	16,048	1
*1925	34,485.86	557,521,847	414,699,786	74.38%	16,000	*1
Average of 7 Years	34,535.92	$474,207,424	$358,867,837	75.68%	$13,731	

* See Foot Notes on Page 24.

d Operating Revenues Per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Years Ended December 1921, 1922, 1923, 1924 and 1925

Carriers in Western Trunk Line Territory

Operating revenues per mile of road (6)	Year (7)	Average miles of road operated (8)	Total operating revenues (9)	Total operating expenses (10)	Operating ratio (11)	Operating revenues per mile of road (12)
Southwestern Territory and Western Trunk Line Territory						
10,028	1916	64,804.89	$766,835,069	$498,707,460	65.03%	$11,833
1,470	1917	64,976.41	847,429,315	593,225,945	70.00%	13,042
6,628	1921	65,334.42	1,177,886,405	962,484,831	81.71%	18,029
5,585	1922	65,465.55	1,187,858,428	937,658,776	78.94%	18,145
6,753	1923	65,640.32	1,280,707,746	1,005,094,263	78.48%	19,511
7,040	1924	65,866.32	1,210,735,472	935,720,181	77.29%	18,382
7,133	*1925	66,199.47	1,220,767,280	924,534,677	75.73%	18,441
4,950	Average of 7 Years	65,469.61	$1,098,888,531	$836,775,162	76.15%	$16,785
From Both Southwestern Territory and Western Trunk Line Territory						
8,988	1916	48,556.01	$567,773,279	$373,013,834	65.70%	$11,693
0,352	1917	48,589.54	620,740,829	441,232,804	71.08%	12,775
5,280	1921	48,839.11	856,902,027	724,540,330	84.55%	17,545
4,039	1922	48,953.34	877,147,638	701,541,472	79.98%	17,918
5,300	1923	49,048.13	952,767,514	759,134,096	79.68%	19,425
3,048	1924	49,185.25	892,374,140	698,013,817	78.22%	18,143
3,000	*1925	49,444.33	900,368,725	693,182,319	76.99%	18,210
1,731	Average of 7 Years	48,945.10	$809,724,879	$627,236,953	77.46%	$16,544

Total Operating Revenues, Operating Expenses, Ratio of Operating Expenses to Operating Revenues, and Operating Revenues Per Mile of R

Carriers in Southwestern Territory

Road	Average miles of road operated	Total operating revenues	Total operating expenses	Operating ratio	Operating revenues per mile of road	
(1)	(2)	(3)	(4)	(5)	(6)	
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.	11,244.40	$143,949,673	$88,161,003	61.24%	$12,802	A.
C. R. I. & P. (Inc. C. R. I. & G.)	8,090.40	80,885,832	55,088,170	68.11%	9,998	C.
Ft. W. & D. C.	454.14	6,052,375	3,586,160	59.25%	13,327	C.
Ft. S. & W.	253.65	927,145	734,191	79.19%	3,655	C.
Gulf Coast Line	897.64	6,265,134	4,166,426	66.50%	6,980	C.
I. & G. N.	1,159.50	10,766,945	7,786,049	72.31%	9,286	C.
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	2,591,324	2,380,019	91.85%	3,512	C.
K. C. S. (Inc. T. & Ft. S.)	842.73	11,289,325	6,782,700	60.08%	13,396	C.
K. O. & G.	332.36	1,602,156	1,438,181	89.77%	4,821	C.
La. & Ark.	278.72	1,512,480	1,036,243	68.51%	5,427	D.
L. Ry. & N. Co.	349.18	2,142,164	1,468,181	68.54%	6,135	E.
Mid. Val.	383.02	2,121,217	1,495,177	70.48%	5,538	G.
M. & N. A.	365.24	1,310,935	1,027,497	78.38%	3,589	I.
M. K. T. (Inc. M. K. T. of T.) and W. F. & N. W.	3,865.02	36,733,682	29,437,089	80.14%	9,504	L. M.
Mo. Pac.	7,437.26	69,972,812	51,342,397	73.37%	9,408	
St. L. S. F. (Inc. St. L. S. F. & T.) and Ft. W. & R. G.	5,231.11	52,976,236	35,517,603	67.04%	10,127	M.
St. L. S. W. (Inc. St. L. S. W. of T.)	1,753.83	13,850,130	9,318,305	67.28%	7,897	Q.
S. A. & A. P.	732.65	4,141,619	3,420,253	82.58%	5,653	W.
S. A. U. & G.	317.26	667,332	514,833	77.15%	2,103	
Sou. Pac. (Tex. & La.)	3,534.70	36,888,394	24,224,421	65.67%	10,436	
T. & P.	1,946.50	20,858,657	14,373,029	68.91%	10,716	
T. & B. V.	357.21	1,058,408	1,322,555	124.96%	2,963	
V. S. & P.	171.47	1,805,138	1,209,460	67.00%	10,527	
Wich. Val.	256.90	980,438	562,820	57.40%	3,816	
Total	50,992.76	$511,349,551	$346,392,762	67.74%	$10,028	
Total Ecl. A. T. & S. F. and C. R. I. & P.	34,743.88	$312,287,761	$220,699,136	70.67%	$8,988	

venues Per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1916

Carriers in Western Trunk Line Territory

Operating revenues per mile of road	Road	Average miles of road operated	Total operating revenues	Total operating expenses	Operating ratio	Operating revenues per mile of road
(6)	(7)	(8)	(9)	(10)	(11)	(12)
$12,802	A. T. & S. F.	8,636.42	$121,578,879	$72,896,805	59.96%	$14,077
9,998	C. R. I. & P.	7,612.46	77,482,911	52,796,821	68.14%	10,178
13,327	C. & A.	1,052.65	17,781,279	12,498,253	70.29%	16,892
3,655	C. & E. I.	1,160.62	16,874,053	13,180,323	78.11%	14,539
6,980	C. & N. W.	8,423.55	98,987,823	65,726,621	66.40%	11,751
9,286	C. B. & Q.	9,370.39	109,191,204	65,235,705	59.74%	11,653
3,512	C. G. W.	1,490.22	16,131,692	11,249,666	69.74%	10,825
13,396	C. M. & St. P.	10,196.25	110,609,689	73,765,051	66.69%	10,848
4,821	C. S. T. P. M. & O.	1,752.81	20,855,286	13,608,879	65.25%	11,898
5,427	D. S. S. & A.	602.42	3,750,688	2,670,052	71.19%	6,226
6,135	E. J. & E.	797.36	14,138,323	8,925,906	63.13%	17,731
5,538	G. B. & W.	252.70	850,071	574,972	67.64%	3,364
3,589	I. C.	4,766.79	73,740,266	52,843,149	71.66%	15,470
9,504	L. S. & Ishpeming	34.04	828,112	577,995	69.80%	24,328
	M. & St. L.	1,646.75	10,995,223	7,288,344	66.29%	6,677
9,408						
10,127	M. St. P. & S. S. M.	4,228.11	34,472,084	19,241,592	55.82%	8,153
7,897	Q. O. & K. C.	262.29	895,878	752,909	84.04%	3,416
5,653	Wabash	2,519.06	37,671,608	24,874,417	66.03%	14,955
2,103						
10,436						
10,716						
2,963						
10,527						
3,816						
$10,028	Total	64,804.89	$766,835,069	$498,707,460	65.03%	$11,833
$8,988	Total Excl. A. T. & S. F. and C. R. I. & P.	48,556.01	$567,773,279	$373,013,834	65.70%	$11,693

[fol. 659]

Total Operating Revenues, Operating Expenses, Ratio of Operating Expenses to Operating Revenues, and Operating Revenues Per Mile of Roa

Carriers in Southwestern Territory

Road (1)	Average miles of road operated (2)	Total operating revenues (3)	Total operating expenses (4)	Operating ratio (5)	Operating revenues per mile of road (6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,269.32	$165,155,435	$104,856,173	63.49%	$14,655
C. R. I. & P. (Inc. C. R. I. & G.)	8,219.36	89,608,723	66,046,105	73.70%	10,902
Ft. W. & D. C.	454.14	6,546,863	4,032,634	61.60%	14,416
Ft. S. & W.	253.65	1,179,849	941,700	79.82%	4,651
Gulf Coast Lines	858.15	6,470,318	4,048,363	62.57%	7,540
I. & G. N.	1,159.50	12,588,224	8,649,994	68.71%	10,857
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	2,526,123	2,489,983	98.57%	3,424
K. C. S. (Inc. T. & Ft. S.)	861.73	13,547,487	8,205,536	60.57%	15,721
K. O. & G.	332.00	1,906,916	1,693,817	88.82%	5,744
La. & Ark.	302.34	1,569,722	1,123,396	71.57%	5,192
L. Ry. & N. C.	352.37	2,497,535	1,738,052	69.59%	7,088
Mid. Val.	383.66	2,927,127	2,040,800	69.72%	7,629
M. & N. A.	365.24	1,417,969	1,122,310	79.15%	3,882
M. K.-T. (Inc. M.-K.-T. of T. and W. F. & N. W.)	3,866.31	43,344,151	33,143,548	76.47%	11,211
Mo. Pac.	7,325.41	78,320,313	53,248,039	67.99%	10,692
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	5,181.17	59,556,474	39,382,571	66.13%	11,495
St. L. S. W. (Inc. St. L. S. W. of T.)	1,753.50	17,309,657	10,896,860	62.95%	9,871
S. A. & A. P.	726.25	4,178,192	3,517,595	84.19%	5,753
S. A. U. & G.	317.26	843,687	588,702	69.78%	2,659
Sou. Pac. (Tex. & La.)	3,561.15	46,798,489	27,035,708	57.77%	13,141
T. & P.	1,946.50	22,714,007	15,389,755	67.75%	11,669
T. & B. V.	368.80	1,095,339	1,281,177	116.97%	2,970
V. S. & P.	171.47	2,206,558	1,397,315	63.33%	12,868
Wich. Val.	256.90	937,431	556,083	59.32%	3,649
Total	51,024.05	$585,246,589	$393,426,216	67.22%	$11,470
Total Excl. A. T. & S. F. and C. R. I. & P.	34,637.18	$358,558,103	$241,433,075	67.33%	$10,352

...es Per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1917

Carriers in Western Trunk Line Territory

...erating ...venues ...er mile ...f road (6)	Road (7)	Average miles of road operated (8)	Total operating revenues (9)	Total operating expenses (10)	Operating ratio (11)	Operating revenues per mile of road (12)
...4,655	A. T. & S. F.	8,642.32	$140,978,936	$88,504,050	62.78%	$16,313
...0,902	C. R. I. & P.	7,744.55	85,709,550	63,489,091	74.07%	11,067
...4,416	C. & A.	1,052.65	20,525,689	15,133,977	73.73%	19,499
...4,651	C. & E. I.	1,131.39	21,012,173	16,398,363	78.04%	18,572
...7,540	C. & N. W.	8,423.80	109,479,441	79,422,481	72.55%	12,996
...0,857	C. B. & Q.	9,373.38	122,342,707	78,632,344	64.27%	13,052
...3,424	C. G. W.	1,496.06	16,368,323	12,492,412	76.32%	10,941
...5,721	C. M. & St. P.	10,256.53	113,739,202	85,195,964	74.90%	11,089
...5,744	C. St. P. M. & O.	1,749.33	21,476,509	15,841,313	73.76%	12,277
...5,192	D. S. S. & A.	600.82	4,316,295	3,452,572	79.99%	7,184
...7,088	E. J. & E.	802.99	15,816,473	10,997,720	69.53%	19,697
...7,629	G. B. & W.	253.80	838,536	635,903	75.83%	3,304
...3,882	I. C.	4,766.04	87,144,787	62,339,835	71.54%	18,285
...1,211	L. S. & Ishpeming	34.04	791,252	579,086	73.19%	23,245
	M. & St. L	1,646.75	11,005,063	7,869,191	71.51%	6,683
...0,692						
...1,495	M. St. P. & S. S. M.	4,227.81	34,540,591	22,964,793	66.49%	8,170
...0,871	~~Q. O. & K. C.~~	255.09	871,889	807,954	92.67%	3,418
...5,753	Wabash	2,519.06	40,471,999	28,468,896	70.34%	16,066
...1,659						
...6,141						
...1,669						
...3,970						
...3,868						
...1,649						
...1,470	Total	64,976.41	$847,429,315	$593,25,945	70.00%	$13,042
...1,352	Total Excl. A. T. & S. F. and C. R. I. & P.	48,589.54	$620,740,829	$441,232,804	71.08%	$12,775

Total Operating Revenues, Operating Expenses, Ratio of Operating Expenses to Operating Revenues, and Operating Revenues Per Mile of Ro

Carriers in Southwestern Territory

Road	Average miles of road operated	Total operating revenues	Total operating expenses	Operating ratio	Operating revenues per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,599.03	$227,958,701	$159,136,519	69.81%	$19,653
C. R. I. & P. (Inc. C. R. I. & G.)	8,122.83	139,272,024	112,953,058	81.10%	17,146
Ft. W. & D. C.	454.14	11,334,958	7,512,206	66.27%	24,959
Ft. S. & W.	249.75	1,773,095	1,702,584	96.02%	7,099
Gulf Coast Lines	860.19	10,757,216	7,967,622	74.07%	12,506
I. & G. N.	1,159.50	17,717,197	15,918,436	89.85%	15,280
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	3,988,997	4,452,757	111.63%	5,406
K. C. S. (Inc. T. & Ft. S.)	863.15	21,840,438	16,003,485	73.27%	25,303
K. O. & G.	317.29	2,337,527	2,118,614	90.63%	7,367
La. & Ark.	302.34	3,380,764	2,728,910	80.72%	11,182
L. Ry. & N. Co.	343.67	3,863,969	3,229,421	83.57%	11,243
Mid. Val.	365.88	4,462,757	3,406,800	76.34%	12,197
M. & N. A.	364.57	661,973	1,074,520	162.32%	1,816
M. K. T. (Inc. M. K. T. of T.) and W. F. & N. W.	3,783.69	63,020,976	50,055,785	79.43%	16,656
Mo. Pac.	7,300.36	109,785,950	91,693,856	83.52%	15,038
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	5,130.58	85,560,548	63,728,578	74.48%	16,677
St. L. S. W. (Inc. St. L. S. W. of T.)	1,775.98	25,140,164	19,089,558	75.93%	14,156
S. A. & A. P.	739.36	6,296,397	6,046,068	96.02%	8,516
S. A. U. & G.	317.26	1,147,282	920,784	80.26%	3,616
Sou. Pac. (Tex. & La.)	3,592.27	64,884,221	57,469,104	88.57%	18,062
T. & P.	1,951.14	35,600,474	30,138,445	84.66%	18,246
T. & B V.	368.80	3,501,010	2,789,266	79.67%	9,493
V. S. & P.	171.44	4,151,552	3,297,256	79.42%	24,216
Wich. Val.	255.86	1,723,110	1,097,987	63.72%	6,735
Total	51,127.03	$850,161,300	$664,531,619	78.17%	$16,628
Total, Excl. A. T. & S. F. and C. R. I. & P.	34,631.72	$529,176,922	426,587,118	80.61%	15,280

...es Per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1921

Carriers in Western Trunk Line Territory

...erating ...venues ...r mile ...f road (6)	Road (7)	Average miles of road operated (8)	Total operating revenues (9)	Total operating expenses (10)	Operating ratio (11)	Operating revenues per mile of road (12)
...,653	A. T. & S. F.	8,833.70	$189,217,520	$130,774,167	69.11%	$21,420
...,146	C. R. I. & P.	7,661.61	131,766,858	107,170,334	81.33%	17,198
...,959	C. & A.	1,050.51	30,994,209	26,417,685	85.23%	29,504
...,099	C. & E. I.	1,130.81	27,099,146	23,944,405	88.35%	23,964
...,506	C. & N. W.	8,402.28	144,775,476	129,091,428	89.17%	17,230
...,280	C. B. & Q.	9,393.07	168,712,268	128,216,290	76.00%	17,961
...,406	C. G. W.	1,496.06	24,228,611	21,426,165	88.43%	16,195
...,303	C. M. & St. P.	10,808.63	146,765,766	127,957,002	87.18%	13,579
...,367	C. St. P. M. & O.	1,749.19	28,137,408	24,392,314	86.69%	16,086
...,182	D. S. S. & A.	591.80	4,464,863	4,565,202	102.25%	7,545
...,243	E. J. & E.	456.59	19,334,942	13,613,040	70.41%	42,346
...,197	G. B. & W.	252.39	1,395,576	1,076,859	77.16%	5,529
...,816	I. C.	4,799.37	141,127,066	116,852,333	82.80%	29,405
...,656	L. S. & Ishpeming	33.43	411,615	555,562	134.97%	12,313
	M. & St. L.	1,651.01	16,185,130	14,762,129	91.21%	9,803
...,038						
...,677	M. St. P. & S. S. M.	4,298.09	42,745,440	39,755,399	93.01%	9,945
...,156	Q. O. & K. C.	252.92	1,306,819	1,408,348	107.77%	5,167
...,516	Wabash	2,472.96	59,217,692	50,506,169	85.29%	23,946
...,616						
...,062						
...,246						
...,493						
...,216						
...,735						
...,628	Total	65,334.42	$1,177,886,405	$962,484,831	81.71%	$18,029
...,280	Total, Excl. A. T. S. F. and C. R. I. & P.	48,839.11	$856,902,027	$724,540,330	84.55%	$17,545

Total Operating Revenues, Operating Expenses, Ratio of Operating Expenses to Operating Revenues, and Operating Revenues Per Mile of Ro

Carriers in Southwestern Territory

Road	Average miles of road operated	Total operating revenues	Total operating expenses	Operating ratio	Operating revenues per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,622.74	$224,017,491	$165,996,635	74.10%	$19,274
C. R. I. & P. (Inc. C. R. I. & G.)	8,116.23	125,086,234	100,570,926	80.40%	15,412
Ft. W. & D. C.	456.31	9,717,037	6,725,890	69.22%	21,295
Ft. S. & W.	249.75	1,692,267	1,352,543	79.92%	6,776
Gulf Coast Lines	860.19	10,105,221	6,719,221	66.49%	11,748
I. & G. N.	1,159.50	14,674,116	12,280,300	83.69%	12,656
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	2,976,579	3,113,526	104.60%	4,034
K. C. S. (Inc. T. & Ft. S.)	862.93	20,361,180	15,083,460	74.08%	23,595
K. O. & G.	314.45	2,871,212	2,063,246	71.86%	9,131
La. & Ark.	302.25	3,294,233	2,304,073	69.94%	10,899
L. Ry. & N. Co.	343.67	3,604,117	2,975,045	82.55%	10,487
Mid. Val.	365.45	4,661,004	3,246,381	69.65%	12,754
M. & N. A.	323.29	753,508	585,413	77.69%	2,331
M.-K.-T. (Inc. M. K. T. of T. and W. F. & N. W.)	3,737.46	55,035,701	39,683,701	72.11%	14,725
Mo. Pac	7,261.78	99,921,331	84,658,915	84.73%	13,760
St. L. S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	5,130.54	82,286,925	62,061,866	75.42%	16,039
St. L. S. W. (Inc. St. L. S. W. of T.)	1,775.98	26,159,924	20,004,576	76.47%	14,730
S. A. & A. P.	739.36	5,780,169	5,263,282	91.06%	7,818
S. A. U. & G.	317.26	1,033,309	855,369	82.78%	3,257
Sou. Pac. (Tex. & La.)	3,610.98	62,099,193	52,250,629	84.14%	17,197
T. & P.	1,952.74	31,381,795	25,494,086	81.24%	16,071
T. & B. V.	368.89	2,777,179	2,272,449	81.83%	7,528
V. S. & P.	171.44	3,717,970	3,016,260	81.13%	21,687
Wich. Val.	256.77	1,415,488	936,304	66.15%	5,513
Total	51,037.91	$795,423,183	$619,514,096	77.88%	15,585
Total, Excl. A. T. & S. F. and C. R. I. & P.	34,525.70	$484,712,393	$383,396,792	79.10%	14,039

nues Per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1922

Carriers in Western Trunk Line Territory

Operating revenues per mile of road (6)	Road (7)	Average miles of road operated (8)	Total operating revenues (9)	Total operating expenses (10)	Operating ratio (11)	Operating revenues per mile of road (12)
19,274	A. T. & S. F.	8,857.21	$191,506,230	$140,356,507	73.29%	$21,622
15,412	C. R. I. & P.	7,655.00	119,204,560	95,760,797	80.33%	15,572
21,295	C. & A.	1,050.51	27,593,925	23,647,591	85.70%	26,267
6,776	C. & E. I.	945.13	24,731,348	21,134,733	85.46%	26,167
11,748	C. & N. W.	8,403.82	146,100,437	119,191,134	81.58%	17,385
12,656	C. B. & Q.	9,393.69	164,916,471	126,777,703	76.87%	17,556
4,034	C. G. W.	1,496.06	24,224,789	21,274,236	87.82%	16,192
23,595	C. M. & St. P.	11,029.86	156,950,628	129,596,696	82.57%	14,230
9,131	C. St. P. M. & O.	1,749.19	27,801,007	22,297,051	80.20%	15,894
10,899	D. S. S. & A.	591.30	4,492,354	3,972,528	88.43%	7,597
10,487	E. J. & E.	459.22	21,483,415	13,697,891	63.76%	46,782
12,754	G. B. & W.	257.46	1,349,239	1,066,885	79.07%	5,241
2,331	I. C.	4,784.52	154,860,387	119,129,269	76.93%	32,367
14,725	L. S. & Ishpeming	33.43	1,073,498	638,779	59.50%	32,112
13,760	M. & St. L.	1,649.90	15,558,248	13,337,710	85.72%	9,430
16,039	M. St. P. & S. S. M.	4,383.57	47,107,105	36,442,851	77.36%	10,746
14,730	Q. O. & K. C.	252.72	1,242,291	1,295,118	104.25%	4,916
17,818	Wabash	2,472.96	57,662,496	48,041,297	83.31%	23,317
13,257						
17,197						
16,071						
17,528						
21,687						
15,513						
15,585	Total	65,465.55	$1,187,858,428	$937,658,776	78.94%	$18,145
14,039	Total, Excl. A. T. & S. F. and C. R. I. & P.	48,953.34	$877,147,638	$701,541,472	79.98%	$17,918

Total Operating Revenues, Operating Expenses, Ratio of Operating Expenses, to Operating Revenues, and Operating Revenues Per Mile of R

Carriers in Southwestern Territory

Road (1)	Average miles of road operated (2)	Total operating revenues (3)	Total operating expenses (4)	Operating ratio (5)	Operating revenues per mile of road (6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,724.23	$237,797,147	$172,602,873	72.58%	$20,283
C. R. I. & P. (Inc. C. R. I. & G.)	8,096.36	130,403,086	104,990,137	80.51%	16,106
Ft. W. & D. C.	456.31	9,625,851	6,657,629	69.16%	21,095
Ft. S. & W.	249.75	1,590,871	1,370,250	86.13%	6,370
Gulf Coast Lines	860.19	11,651,336	7,253,317	62.25%	13,545
I. & G. N.	1,159.50	15,806,608	12,542,633	79.35%	13,632
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	3,662,128	3,470,137	94.76%	4,963
K. C. S. (Inc. T. & Ft. S.)	848.68	22,485,099	16,708,811	74.31%	26,494
K. O. & G.	314.42	2,489,370	1,980,958	79.58%	7,917
La. & Ark.	302.25	3,796,299	2,556,546	67.34%	12,560
L. Ry. & N. Co.	549.75	4,911,493	4,080,236	83.08%	8,934
Mid. Val.	365.31	4,500,148	3,034,240	67.43%	12,319
M. & N. A.	364.57	1,509,848	1,268,463	84.01%	4,141
M. K. T. (Inc. M.-K.-T. of T. and W. F. & N. W.)	3,359.76	55,987,918	43,628,319	77.92%	16,664
Mo. Pac.	7,235.72	114,607,975	97,939,966	85.46%	15,839
St. L.-S. F. (Inc. St. L.-S. F. & T. and Ft. W. & R. G.)	5,120.84	88,919,198	65,394,181	73.54%	17,364
St. L. S. W. (Inc. St. L. S. W. of T.)	1,775.85	29,551,120	21,990,213	74.41%	16,641
S. A. & A. P.	739.36	6,455,496	5,421,599	83.98%	8,731
S. A. U. & G.	317.26	1,219,654	958,739	78.61%	3,844
Sou. Pac. (Tex. & La.)	3,610.98	64,750,597	54,678,714	84.45%	17,932
T. & P.	1,952.74	32,592,489	24,981,658	76.65%	16,691
T. & B. V.	368.89	3,482,581	2,601,439	74.70%	9,441
V. S. & P.	184.21	4,460,579	3,263,204	73.16%	24,215
Wich. Val.	269.06	1,558,456	887,543	56.95%	5,792
Total	50,963.94	$853,815,347	$660,261,805	77.33%	$16,753
Total Excl. A. T. & S. F. and C. R. I. & P.	34,371.84	$525,875,115	$414,301,638	78.78%	$15,300

nues Per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1923

Carriers in Western Trunk Line Territory

Operating revenues per mile of road (6)	Road (7)	Average miles of road operated (8)	Total operating revenues (9)	Total operating expenses (10)	Operating ratio (11)	Operating revenues per mile of road (12)
20,283	A. T. & S. F.	8,956.97	$203,311,792	$145,687,273	71.66%	$22,699
16,106	C. R. I. & P.	7,635.13	124,628,440	100,272,894	80.46%	16,323
31,095	C. & A.	1,050.40	33,588,194	25,389,229	75.59%	31,977
16,370	C. & E. I.	945.13	28,405,408	24,279,112	85.47%	30,054
13,545	C. & N. W.	8,462.53	160,425,965	132,507,531	82.60%	18,957
13,632	C. B. & Q.	9,401.41	171,270,661	134,290,379	78.41%	18,218
14,963	C. G. W.	1,496.06	25,723,707	21,431,016	83.31%	17,194
16,494	C. M. & St. P.	11,010.74	169,628,338	134,999,228	79.59%	15,406
17,917	C. St. P. M. & O.	1,749.19	28,363,234	23,516,147	82.91%	16,215
12,560	D. S. S. & A.	591.30	5,862,546	4,693,351	80.06%	9,915
18,934	E. J. & E.	459.72	27,539,298	18,483,534	67.12%	59,905
12,319	G. B. & W.	234.15	1,317,716	1,117,623	84.82%	5,628
14,141	I. C.	4,840.25	165,626,982	132,429,231	79.96%	34,219
16,664	L. S. & Ishpeming	33.43	1,277,151	753,548	59.00%	38,204
	M. & St. L.	1,649.90	16,524,961	14,288,791	86.47%	10,016
15,839						
17,364	M. St. P. & S. S. M.	4,396.49	49,345,337	37,615,134	76.23%	11,224
16,641	Q. O. & K. C.	250.84	1,250,380	1,306,747	104.51%	4,985
18,731	Wabash	2,476.59	66,617,636	52,033,495	78.11%	26,899
13,844						
17,932						
16,691						
19,441						
14,215						
15,792						
16,753	Total	65,640.23	$1,280,707,746	$1,005,094,263	78.48%	$19,511
18,300	Total, Excl. A T. & S. F. and C. R. I. & P.	49,048.13	$952,767,514	$759,134,096	79.68%	$19,425

Total Operating Revenues, Operating Expenses, Ratio of Operating Expenses to Operating Revenues, and Operating Revenues Per Mile of Ro

Carriers in Southeastern Territory

Road (1)	Average miles of road operated (2)	Total operating revenues (3)	Total operating expenses (4)	Operating ratio (5)	Operating revenues per mile of road (6)
St. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,836.98	$235,410,952	$170,314,808	72.35%	$19,888
C. R. I. & P. (Inc. C. R. I. & G.)	8,072.69	130,880,511	101,206,546	77.33%	16,213
Ft. W. & D. C.	456.64	11,170,306	6,699,357	59.97%	24,462
Ft. S. & W.	249.75	1,909,118	1,416,219	74.18%	7,644
Gulf Coast Lines	860.19	13,986,807	8,620,465	61.63%	16,260
I. & G. N.	1,159.50	16,901,448	12,955,240	76.65%	14,576
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	5,028,639	4,310,716	85.72%	6,814
K. C. S. (Inc. T. & Ft. S.)	854.09	21,024,013	15,256,529	72.57%	24,616
K. O. & G.	314.42	2,184,589	1,924,286	88.08%	6,948
La. & Ark.	302.25	4,030,319	2,972,372	73.75%	13,334
L. Ry. & N. Co.	544.71	5,489,712	4,837,010	88.11%	10,078
Mid. Val.	364.90	4,535,840	2,992,597	65.98%	12,430
M. & N. A.	364.57	1,587,104	1,391,594	87.68%	4,353
M. K. T. (Inc. M. K. T. of T. and W. F. & N. W.)	3,193.14	57,309,345	39,732,034	69.33%	17,948
Mo. Pac.	7,359.97	123,647,723	98,466,365	79.63%	16,800
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	5,132.24	89,571,119	63,439,981	70.83%	17,453
St. L. S. W. (Inc. St. L. S. W. of T.)	1,777.01	26,326,291	20,027,913	76.08%	14,815
S. A. & A. P.	739.36	7,430,673	6,274,907	84.45%	10,050
S. A. U. & G.	317.26	1,521,348	1,195,798	78.60%	4,795
Sou. Pac. (Tex. & La.)	3,616.67	67,116,612	52,729,116	78.56%	18,558
T. & P.	1,952.74	33,784,580	25,242,324	74.72%	17,301
T. & B. V.	368.89	2,665,372	2,398,704	90.00%	7,225
V. S. & P.	188.46	4,259,264	3,327,474	78.12%	22,600
Wich. Val.	271.92	1,909,477	931,325	48.77%	7,022
Total	51,036.30	$869,681,162	$648,663,680	74.59%	$17,040
Total Excl. A. T. & S. F. and C. R. I. & P.	34,355.23	$551,319,830	$410,957,316	74.54%	$16,048

venues Per Mile of Road Operated, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1924

Carriers in Western Trunk Line Territory

Operating revenues per mile of road (6)	Road (7)	Average miles of road operated (8)	Total operating revenues (9)	Total operating expenses (10)	Operating ratio (11)	Operating revenues per mile of road (12)
$19,888	A. T. S. F.	9,069.61	$194,174,238	$141,141,872	72.69%	$21,409
16,213	C. R. I. & P.	7,611.46	124,187,094	96,564,492	77.76%	16,316
24,462	C. & A.	1,050.86	30,854,030	23,893,469	77.44%	29,361
7,644	C. & E. I.	945.13	26,068,788	22,453,256	86.13%	27,582
16,260	C. & N. W.	8,462.83	149,454,584	120,536,645	80.65%	17,660
14,576	C. B. & Q.	9,407.23	162,674,878	119,958,734	73.74%	17,293
6,814	C. G. & W.	1,496.06	24,726,678	20,238,411	81.85%	16,528
24,616	C. M. & St. P.	10,986.92	158,366,459	125,550,061	79.28%	14,414
6,948	C. St. P. & M. & O.	1,749.19	27,915,736	22,189,824	79.49%	15,959
13,334	D. S. S. & A.	591.30	5,902,129	4,786,425	81.10%	9,982
10,078	E. J. & E.	459.77	21,521,787	15,287,842	71.03%	46,810
12,430	G. N. & W.	234.15	1,497,687	1,147,111	76.59%	6,396
4,353	I. C.	4,849.74	151,711,549	117,844,732	77.68%	31,282
17,948	L. S. & Ishpeming	161.51	1,804,615	1,343,511	74.45%	11,173
	M. & St. L.	1,647.26	15,097,126	14,546,992	96.36%	9,165
16,800						
17,453	M. St. P. & S. S. M.	4,402.53	47,945,360	36,813,855	76.78%	10,890
14,815	Q. O. & K. C.	250.84	1,051,805	1,124,532	106.91%	4,193
10,050	Wabash	2,489.93	65,780,929	50,298,417	76.46%	26,419
4,795						
18,558						
17,301						
7,225						
22,600						
7,022						
$17,040	Total	65,866.32	$1,210,735,472	$935,720,181	77.29%	$18,382
$16,048	Total, Excl. A. T. & S. F. and C. R. I. & P.	49,185.25	$892,374,140	$698,013,817	78.22%	$18,143

Total Operating Revenues, Operating Expenses, Ratio of Operating Expenses, to Operating Revenues, and Operating Revenues Per Mile of Road Op

Carriers in Southwestern Territory

Road	Average miles of road operated (o)	Total operating revenues (*)	Total operating expenses (*)	Operating ratio	Operating revenues per mile of road
(1)	(2)	(3)	(4)	(5)	(6)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,952.84	$236,246,320	$163,576,718	69.24%	$19,765
C. R. I. & P. (Inc. C. R. I. & G.)	8,029.54	130,264,476	101,082,539	77.60%	16,223
Ft. W. & D. C.	474.87	11,222,569	7,080,247	63.09%	23,633
Ft. S. & W.	249.75	1,873,961	1,349,048	71.99%	7,503
Gulf Coast Lines	860.19	14,578,224	9,531,858	65.38%	16,948
I. & G. N.	1,159.50	16,906,172	13,402,840	79.28%	14,581
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	5,708,337	4,797,837	84.05%	7,735
K. C. S. (Inc. T. & Ft. S.)	858.12	21,141,404	14,574,984	68.94%	24,637
K. O. & G.	314.42	2,473,042	2,247,121	90.86%	7,865
La. & Ark.	302.25	4,070,884	2,729,654	67.05%	13,469
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	543.71	5,150,526	4,287,960	83.25%	9,473
Mid. Val.	364.04	4,404,568	2,773,863	62.98%	12,099
M. & N. A.	364.57	1,549,648	1,395,566	90.06%	4,251
M. K. T. (Inc. M. K. T. of T. and W. F. & N. W.)	3,188.54	57,032,349	39,331,202	68.96%	17,887
Mo. Pac.	7,337.61	130,432,286	101,944,022	78.16%	17,776
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	5,281.30	93,210,215	65,007,512	69.74%	17,649
St. L. S. W. (Inc. St. L. S. W. of T.)	1,750.44	25,843,970	19,935,202	77.14%	14,764
S. A. & A. P.	Included with Sou. Pac.				
S. A. U. & G.	318.32	1,454,148	1,133,179	77.93%	4,568
Sou. Pac. (Tex. & La.)	4,371.69	71,042,765	56,934,824	80.14%	16,251
T. & P.	1,952.91	34,539,422	26,040,055	75.39%	17,686
T. & B. V.	368.12	2,569,243	2,600,164	101.20%	6,979
V. S. & P.	188.46	4,511,210	3,434,475	76.13%	23,937
Wich. Val.	271.86	1,694,663	861,274	50.82%	6,234
Total	51,241.00	$877,920,402	$646,052,144	73.59%	$17,133
Total, Excl. A. T. & S. F. and C. R. I. & P.	34,485.86	$557,521,847	$414,699,786	74.38%	$16,000

o—Average of eleven months ended November 30, 1925.

(*)—December 1925 estimated on basis of considering one-eleventh of the Operating Revenues and Operating Expenses for the eleven months

Per Mile of Road Operated, for Class 1 Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1925

Carriers in Western Trunk Line Territory

Operating revenues per mile of road (6)	Road (7)	Average miles of road operated (o) (8)	Total operating revenues (*) (9)	Total operating expenses (*) (10)	Operating ratio (11)	Operating revenues per mile of road (12)
$19,765	A. T. & S. F.	9,185.51	$196,326,430	$134,780,439	68.65%	$21,373
16,223	C. R. I. & P.	7,569.63	124,072,125	96,571,919	77.84%	16,391
23,633	C. & A.	1,055.92	30,943,724	23,349,199	75.46%	29,304
7,503	C. & E. I.	945.13	26,112,179	21,809,496	83.52%	27,628
16,948	C. & N. W.	8,461.56	148,706,102	115,722,195	77.82%	17,574
14,581	C. B. & Q.	9,398.10	158,644,362	116,265,660	73.29%	16,880
7,735	C. G. W.	1,496.06	24,473,641	19,904,494	81.33%	16,359
24,637	C. M. & St. P.	11,204.93	161,711,380	131,032,492	81.03%	14,432
7,865	C. St. P. M. & O.	1,749.19	26,890,005	21,468,043	79.84%	15,373
13,469	D. S. S. & A.	590.91	5,911,176	4,626,967	78.27%	10,004
9,473	E. J. & E.	459.79	25,047,071	17,234,584	68.81%	54,475
2,099	G. B. & W.	234.15	1,565,349	1,135,755	72.56%	6,685
4,251	I. C.	4,874.99	152,543,756	117,214,593	76.84%	31,291
17,887	L. S. & Ishpeming	161.51	2,394,429	1,392,749	58.17%	14,825
	M. & St. L.	1,635.41	15,100,190	13,263,838	88.37%	9,178
17,776						
17,649	M. St. P. & S. S. M.	4,401.64	50,001,533	36,270,289	72.54%	11,360
14,764	Q. O. & K. C.	250.84	1,010,643	1,090,192	107.87%	4,029
	Wabash	2,524.20	69,403,185	51,401,773	74.06%	27,495
4,568						
16,251						
17,686						
6,979						
11,937						
6,234						
7,133	Total	66,199.47	$1,220,767,280	$924,534,677	75.73%	$18,441
16,000	Total, Excl. A. T. & S. F. and C. R. I. & P.	49,444.33	$900,368,725	$693,182,319	76.99%	$18,210

(*) The eleven months ended November 30, 1925, as representative of those for December, 1925.

Summary Comparing Separately the Freight and Passenger Operating Ratios for Class I Carriers in Southwestern and Western Trunk Line Territories for the Years Ended December 31, 1923, and 1924

	Year 1923		Year 1924		Years 1923 and 1924 Combined	
	Railway in S. W. Territory	Railways in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory
Including A. T. & S. F. Ry. and C. R. I. & P. Ry. in Both Southwestern Territory and Western Trunk Line Territory						
Freight Operating Revenues.....	$634,348,826	$974,985,514	$664,005,734	$921,732,151	$1,298,354,560	$1,896,717,665
Freight Operating Expenses.....	481,820,838	750,309,037	473,738,139	684,679,189	955,558,977	1,434,988,226
Passenger Operating Revenues....	219,466,521	305,722,232	205,675,428	289,003,321	425,141,949	594,725,553
Passenger Operating Expenses....	178,440,967	254,785,226	174,925,541	251,040,992	353,366,508	505,826,218
Freight Operating Ratio.....	75.96%	76.96%	71.35%	74.28%	73.60%	75.66%
Passenger Operating Ratio.....	81.31%	83.34%	85.05%	86.86%	83.12%	85.05%
Operating Ratio of All Traffic.....	77.73%	78.48%	74.59%	77.29%	75.94%	77.90%
Excluding A. T. & S. F. Ry. and C. R. I. & P. Ry. from Both Southwestern Territory and Western Trunk Line Territory						
Freight Operating Revenues.....	$401,037,505	$741,674,193	$434,242,528	$691,968,945	$835,280,033	$1,433,643,138
Freight Operating Expenses.....	306,470,637	574,958,836	307,188,549	518,129,599	613,659,186	1,093,088,435
Passenger Operating Revenues....	124,837,610	211,093,321	117,077,301	200,405,194	241,914,911	411,598,515
Passenger Operating Expenses....	107,831,001	184,175,260	103,768,767	179,884,218	211,599,768	364,059,478
Freight Operating Ratio.....	76.42%	77.52%	70.74%	74.88%	73.47%	76.25%
Passenger Operating Ratio.....	86.38%	87.25%	88.63%	89.76%	87.47%	88.47%
Operating Ratio of all Traffic.....	78.78%	79.68%	74.54%	78.21%	76.61%	78.98%

Freight Earnings, Freight Operating Expenses, and Ratio of Freight Operating Expenses to Freight Earnings, for Class I Carriers in Southwestern Territory

Road (1)	Freight revenue (2)	Miscl. freight earnings (3)	Total freight earnings (4)	Freight operating expenses (5)	Freight operating ratio (6)
A. T. S. F. (Inc. G. C. S. F. & P. S. F.)	$166,310,159	$3,540,255	$169,850,414	$123,982,503	73.00%
C. R. I. P. (Inc. C. R. I. & G.)	93,109,326	2,046,703	95,156,029	76,129,105	80.00%
Ft. W. & D. C.	6,865,281	122,981	6,988,262	4,933,342	70.59%
Ft. S. & W.	1,179,016	32,627	1,211,643	1,002,879	82.77%
Gulf Coast Lines	8,802,664	137,419	8,940,083	4,879,787	54.58%
I. & G. N.	11,607,925	540,172	12,148,097	9,064,035	74.61%
K. C. M. & O. (Inc. K. C. M. & O. of T.)	3,231,241	54,854	3,286,095	2,894,984	88.10%
K. C. S. (Inc. T. & Ft. S.)	18,086,262	1,173,272	19,259,534	13,743,593	71.36%
K. O. & G.	2,262,943	32,164	2,295,107	1,684,298	73.39%
La. & Ark.	3,270,504	32,149	3,302,653	1,976,103	59.83%
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	4,128,815	118,353	4,247,168	3,134,063	73.79%
Mid. Val.	3,536,781	72,515	3,609,296	2,311,757	64.05%
M. & N. A.	1,139,759	16,668	1,156,427	868,322	75.09%
M. K. T. (Inc. M. K. T. of T. and W. F. & N. W.)	39,791,214	981,174	40,772,388	30,178,188	74.02%
Mo. Pac.	85,961,414	3,130,809	89,092,223	72,816,835	81.73%
St. L.-S. F. (Inc. St. L. S. F. & T. & Ft. W. & R. G.)	62,055,678	1,754,125	63,809,803	47,824,552	74.95%
St. L. S. W. (Inc. St. L. S. W. of T.)	24,596,070	539,942	25,136,012	17,576,406	69.93%
S. A. & A. P.	5,080,904	95,040	5,175,944	3,996,995	77.22%
Sav. & G.	870,803	13,645	884,448	586,135	66.27%
Sou. Pac. (Tex. and La.)	46,616,734	1,062,178	47,678,912	39,961,800	83.81%
T. & P.	22,482,492	470,454	22,952,946	17,364,692	75.65%
T. & B. V.	3,150,735	48,982	3,199,717	2,156,889	67.41%
V. S. & P.	2,940,793	88,167	3,028,960	2,168,288	71.59%
Wich. Val.	1,153,534	13,131	1,166,665	585,287	50.17%
Total	$618,231,047	16,117,779	634,348,826	481,820,838	75.96%
Total Excl. A. T. S. F. & C. R. I. & P.	389,874,376	11,163,129	401,037,505	306,470,637	76.42%

Earnings, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1923

Carriers in Western Trunk Line Territory

Freight operating ratio (6)	Road (7)	Freight revenue (8)	Miscl. freight earnings (9)	Total freight earnings (10)	Freight operating expenses (11)	Freight operating ratio (12)
73.00%	A. T. & S. F.	$139,655,477	$3,040,086	$142,695,563	$102,802,444	72.04%
80.00%	C. R. I. & P.	88,701,194	1,914,564	90,615,758	72,547,757	80.06%
70.59%	C. & A.	24,027,397	795,939	24,823,336	18,474,210	74.42%
82.77%	C. & E. I.	21,243,932	439,054	21,682,986	19,018,262	87.71%
54.58%	C. & N. W.	113,092,826	4,852,822	117,945,648	94,503,162	80.12%
74.61%	C. B. & Q.	126,433,098	4,829,660	131,262,758	101,617,299	77.42%
88.10%	C. G. W.	19,259,353	605,293	19,864,646	15,990,596	80.50%
71.36%	C. M. & St. P.	127,953,106	5,415,949	133,369,055	100,636,821	75.46%
73.39%	C. St. P. M. & O.	20,074,017	455,776	20,529,793	17,552,657	85.50%
59.83%	D. S. S. & A.	4,112,681	210,971	4,323,652	3,227,554	74.65%
73.79%	E. J. & E.	24,740,927	2,798,257	27,539,184	18,483,534	67.12%
64.05%	G. B. & W.	1,069,109	43,612	1,112,721	856,914	77.01%
75.09%	I. C.	127,081,546	3,511,712	130,593,258	102,570,478	78.54%
74.02%	L. S. & Ishpeming	1,068,731	207,054	1,275,785	728,777	57.12%
	M. & St. L.	14,023,698	284,632	14,308,330	11,570,529	80.87%
81.73%						
74.95%	M. St. P. & S. S. M.	37,604,190	858,206	38,462,396	28,186,752	73.28%
69.93%	Q. O. & K. C.	872,054	9,545	881,599	901,985	102.31%
77.22%	Wabash	51,698,168	2,000,878	53,699,046	40,639,306	75.68%
66.27%						
83.81%						
75.65%						
67.41%						
71.59%						
50.17%						
75.96%	Total	942,711,504	32,274,010	974,985,514	750,309,037	76.96%
76.42%	Total, Excl. A. T. S. & F. C. R. I. & P.	714,354,833	27,319,360	741,674,193	574,958,836	77.52%

Passenger Service Train Earnings, Passenger Operating Expenses, and Ratio of Passenger Operating Expenses to Passenger Service Tra

Carriers in Southwestern Territory

Road	Passenger revenue	Miscl. passenger train earnings	Total passenger train earnings	Passenger operating expenses	Passgr. operating ratio
(1)	(2)	(3)	(4)	(5)	(6)
A. T. S. F. (Inc. G. C. S. F. & P. S. F.)	$52,330,819	$15,615,914	$67,946,733	$48,620,370	71.56%
C. R. I. P. (Inc. C. R. I. & G.)	27,458,813	7,788,244	35,247,057	28,861,032	81.88%
Ft. W. & D. C.	2,188,048	449,541	2,637,589	1,724,287	65.37%
Ft. S. & W.	292,599	86,628	379,227	367,371	96.87%
Gulf Coast Lines	2,168,642	542,612	2,711,254	2,373,530	87.54%
I. & G. N.	2,773,103	885,408	3,658,511	3,478,598	95.08%
K. C. M. & O. (Inc. K. C. M. & O. of T.)	243,747	132,286	376,033	575,153	152.95%
K. C. S. (Inc. T. & Ft. S.)	2,422,776	802,789	3,225,565	2,965,218	91.93%
K. O. & G.	144,005	50,258	194,263	296,660	152.71%
L. A. & Ark.	422,114	71,532	493,646	580,443	117.58%
L. Ry. & N. C. (Inc. L. Ry. & N. Co. of T.)	522,153	142,172	664,325	946,173	142.43%
Mid. Val.	766,746	124,106	890,852	722,483	81.10%
M. & N. A.	269,757	83,664	353,421	400,141	113.22%
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	11,295,456	3,920,074	15,215,530	13,450,131	88.40%
Mo. Pac.	18,970,393	6,545,359	25,515,752	25,123,131	98.46%
St. L.-S. F. (Inc. St. L.-S. F. & T. & Ft. W. & R. G.)	20,516,365	4,593,031	25,109,396	17,569,629	69.97%
St. L. S. W. (Inc. St. L. S. W. of T.)	3,390,917	1,024,191	4,415,108	4,413,807	99.97%
S. A. & A. P.	960,994	318,558	1,279,552	1,424,604	111.34%
S. A. U. & G.	238,260	96,946	335,206	372,604	111.16%
Sou. Pac. (Tex. & L. A.)	14,026,399	3,045,285	17,071,684	14,716,914	86.21%
T. & P.	7,573,856	2,065,687	9,639,543	7,616,966	79.02%
T. & B. V.	241,644	41,220	282,864	444,550	157.16%
V. S. & P.	1,199,051	232,568	1,431,619	1,094,916	76.48%
Wich. Val.	315,606	76,185	391,791	302,256	77.15%
Total	170,732,263	48,734,258	219,466,521	178,440,967	81.31%
Total, Excl. A. T. & S. F. & C. R. I. & P.	97,738,986	27,098,624	124,837,610	107,831,001	86.38%

ger Service Train Earnings, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1923

Carriers in Western Trunk Line Territory

assgr. rating atio (6)	Road (7)	Passenger revenue (8)	Miscl. passenger train earnings (9)	Total passenger train earnings (10)	Passenger operating expenses (11)	Passgr. operating ratio (12)
1.56%	A. T. & S. F.	$46,445,181	$14,171,048	$60,616,229	$42,884,830	70.75%
1.88%	C. R. I. & P.	26,548,096	7,464,586	34,012,682	27,725,136	81.51%
5.37%	C. & A.	6,358,010	1,906,848	8,764,858	6,915,019	78.89%
6.87%	C. & E. I.	5,029,040	1,693,382	6,722,422	5,260,850	78.26%
7.54%	C. & N. W.	30,390,660	12,089,657	42,480,317	38,004,370	89.46%
5.08%	C. B. & Q.	28,569,831	11,438,072	40,007,903	32,673,080	81.67%
2.95%	C. G. W.	4,277,383	1,581,678	5,859,061	5,440,420	92.85%
1.93%	C. M. & St. P.	24,175,892	12,083,391	36,259,283	34,362,406	94.77%
2.71%	C. St. P. M. & O.	6,110,999	1,722,442	7,833,441	5,963,491	76.13%
7.58%	D. S. S. & A.	1,211,301	327,593	1,538,894	1,465,797	95.25%
2.43%	E. J. & E.	114	.....	114	.....	.....
1.10%	A. B. & W.	152,759	52,236	204,995	260,708	127.18%
3.22%	I. C.	27,042,401	7,991,323	35,033,724	29,858,753	85.23%
3.40%	L. S. & Ishpeming	709	657	1,366	24,771	813.40%
	M. & St. L.	1,641,911	574,720	2,216,631	2,718,261	122.63%
3.46%						
9.97%	M. S. T. P. & S. S. M.	7,666,758	3,216,183	10,882,941	9,428,383	86.63%
9.97%	Q. O. & K. C.	272,789	95,992	368,781	404,762	109.76%
1.34%	Wabash	9,794,594	3,123,996	12,918,590	11,394,189	88.20%
1.16%						
1.21%						
1.02%						
1.16%						
1.48%						
1.15%						
1.31%	Total	226,188,428	79,533,804	305,722,232	254,785,226	83.34%
1.38%	Total, Excl. A. T. & S. F. & C. R. I. & P.	153,195,151	57,898,170	211,093,321	184,175,260	87.25%

Freight Earnings, Freight Operating Expenses, and Ratio of Freight Operating Expenses to Freight Earnings, for Cla

Carriers in Southwestern Territory

Road (1)	Freight revenue (2)	Miscl. freight earnings (3)	Total freight earnings (4)	Freight operating expenses (5)	Freight operating ratio (6)
T. S. F. (Inc. G. C. & S. F. and P. & S. F.)	$168,101,035	$3,833,994	$171,935,029	$121,081,159	70.42%
R. I. P. (Inc. C. R. I. & G.)	95,185,730	2,101,328	97,287,058	71,948,367	77.96%
W. & D. C.	8,280,360	125,497	8,405,857	5,070,947	60.33%
S. & W.	1,554,814	32,198	1,587,012	1,062,011	66.92%
f Coast Lines	10,950,445	267,781	11,218,226	6,204,212	55.30%
t G. N.	12,673,345	629,588	13,302,933	9,415,077	70.77%
C. M. & O. (Inc. K. C. M. & O. of T.)	4,586,314	48,491	4,634,805	3,758,572	81.09%
C. S. (Inc. T. & Ft. S.)	16,927,685	1,258,789	18,186,474	12,239,143	67.30%
O. & G.	1,994,665	26,370	2,021,035	1,629,997	80.65%
A. & Ark.	3,524,606	35,880	3,560,486	2,404,604	67.54%
Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	4,756,688	134,010	4,890,698	3,713,974	75.94%
l. Val.	3,735,444	66,057	3,801,501	2,382,759	62.68%
& N. A.	1,234,655	22,882	1,257,537	1,041,209	82.80%
K. T. (Inc. M. K. T. of T. and W. F. & N. W.)	42,331,705	966,885	43,298,590	27,591,615	63.72%
Pac.	95,949,391	3,441,144	99,390,535	74,149,942	74.60%
L. S. F. (Inc. St. L. S. F. & T. and F. T. W. & R. G.)	64,920,416	1,715,450	66,635,866	46,610,922	69.95%
L. S. W. (Inc. St. L. S. W. of T.)	21,783,501	1,476,791	23,260,292	15,633,403	67.21%
. & A. P.	6,083,854	103,998	6,187,852	4,759,716	76.92%
. U. & G.	1,143,999	14,666	1,158,665	814,166	70.27%
Pac. (Tex. & La.)	49,595,669	1,060,944	50,656,613	39,265,955	77.51%
t P.	23,930,347	492,075	24,322,422	18,042,263	73.88%
t B. V.	2,343,186	33,343	2,376,529	1,962,917	82.60%
. & P.	2,934,687	94,254	3,028,941	2,330,317	76.94%
h. Val.	1,482,631	18,147	1,500,778	624,892	41.64%
Total	**$646,005,172**	**$18,000,562**	**$664,005,734**	**$473,738,139**	**71.35%**
Total, Excl. A. T. S. F. & C. R. I. & P.	**421,455,047**	**12,787,481**	**434,242,528**	**307,188,549**	**70.74%**

Earnings, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1924

Carriers in Western Trunk Line Territory

Freight operating ratio (6)	Road (7)	Freight revenue (8)	Miscl. freight earnings (9)	Total freight earnings (10)	Freight operating expenses (11)	Freight operating ratio (12)
70.42%	A. T. & S. F.	$134,628,629	$3,257,312	$137,885,941	$98,056,347	71.11%
77.96%	C. R. I. & P.	89,921,496	1,955,769	91,877,265	68,493,243	74.55%
80.33%	C. & A.	21,675,681	819,315	22,494,996	17,315,428	76.97%
86.92%	C. & E. I.	19,381,436	383,837	19,765,273	17,155,977	86.80%
85.30%	C. & N. W.	103,516,754	4,639,178	108,155,932	85,207,997	78.78%
70.77%	C. B. & Q.	119,773,873	4,405,362	124,179,235	88,235,766	71.06%
71.09%	C. G. W.	18,764,368	577,090	19,341,458	14,919,937	77.14%
77.30%	C. M. & St. P.	120,070,603	5,013,075	125,083,678	91,228,812	72.93%
80.65%	C. St. P. M. & O.	20,019,002	444,332	20,463,334	16,495,885	80.61%
77.54%	D. S. S. & A.	4,238,378	207,695	4,446,073	3,379,487	76.02%
75.94%	E. J. & E.	19,615,996	1,905,278	21,521,274	15,287,842	71.04%
72.68%	G. B. & W.	1,260,305	39,880	1,300,185	899,482	69.18%
72.80%	I. C.	115,048,063	3,179,729	118,227,792	87,527,540	74.03%
83.72%	L. S. & Ishpeming	1,552,327	176,355	1,728,682	1,182,421	68.40%
	M. & St. L.	12,834,316	245,904	13,080,220	11,787,328	90.12%
74.60%						
79.95%	M. St. P. & S. S. M.	37,349,105	788,137	38,137,242	27,670,407	72.55%
87.21%	Q. O. & K. C.	702,609	8,090	710,699	722,880	101.71%
75.92%	Wabash	51,546,110	1,786,762	53,332,872	39,112,410	73.34%
80.27%						
87.51%						
83.88%						
82.60%						
83.94%						
87.64%						
80.35%	Total	$891,899,051	$29,833,100	$921,732,151	$684,679,189	74.28%
79.74%	Total Excl. A. T. S. F. & C. R. I. & P.	667,348,926	24,620,019	691,968,945	518,129,599	74.88%

Passenger Service Train Earnings, Passenger Operating Expenses, and Ratio of Passenger Operating Expenses to Passenger Service T

Carriers in Southwestern Territory

Road	Passenger revenue	Miscl. passenger train earnings	Total passenger train earnings	Passenger operating expenses	Passgr. operating ratio
(1)	(2)	(3)	(4)	(5)	(6)
A. T. S. F. (Inc. G. C. & S. F. & P. S. F.)	$48,154,636	$15,321,287	$63,475,923	$49,233,649	77.56%
C. R. I. P. (Inc. C. R. I. & G.)	25,886,047	7,707,406	33,593,453	29,258,181	87.09%
Ft. W. & D. C.	2,231,245	533,204	2,764,449	1,628,410	58.91%
Ft. S. & W.	245,568	76,538	322,106	354,207	109.97%
Gulf Coast Lines	2,078,693	689,888	2,768,581	2,416,254	87.27%
I. & G. N.	2,600,576	997,939	3,598,515	3,540,163	98.38%
K. C. M. & O. (Inc. K. C. M. & O. of T.)	262,248	131,586	393,834	552,144	140.20%
K. C. C. S. (Inc. T. & Ft. S.)	2,054,819	782,720	2,837,539	3,017,385	106.34%
K. O. & G.	117,629	45,925	163,554	294,289	179.93%
La. & Ark.	390,598	79,235	469,833	567,768	120.84%
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	438,990	160,024	599,014	1,123,037	187.48%
Mid. Val.	625,453	108,886	735,339	609,837	83.05%
M. & N. A.	237,710	91,857	329,567	350,384	106.32%
M. K. T. (Inc. M. K. T. of T. and W. F. & N. W.)	10,457,071	3,553,684	14,010,755	12,140,419	86.65%
Mo. Pac.	17,525,200	6,731,988	24,257,188	24,316,424	100.24%
St. L. S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	18,477,528	4,457,725	22,935,253	16,829,059	73.38%
St. L. S. W. (Inc. St. L. S. W. of T.)	1,918,929	1,147,070	3,065,999	4,394,510	143.33%
S. A. & A. P.	879,075	363,746	1,242,821	1,515,191	121.92%
S. A. U. & G.	240,713	121,970	362,683	381,632	105.22%
Sou. Pac. (Tex. & La.)	13,185,703	3,274,296	16,459,999	13,463,161	81.79%
T. & P.	7,150,275	2,211,883	9,362,158	7,200,060	76.91%
T. & B. V.	226,494	62,349	288,843	435,787	150.87%
V. S. & P.	1,013,246	217,077	1,230,323	997,157	81.50%
Wich. Val.	314,218	94,481	408,699	306,433	74.98%
Total	$158,712,664	$48,962,764	$205,675,428	$174,925,541	85.05%
Total, Excl. A. T. S. F. & C. R. I. P.	89,185,009	27,892,292	117,077,301	103,768,767	88.63%

enger Service Train Earnings, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1924

Carriers in Western Trunk Line Territory

Passgr. operating ratio (6)	Road (7)	Passenger revenue (8)	Misel. passenger train earnings (9)	Total passenger train earnings (10)	Passenger operating expenses (11)	Passgr. operating ratio (12)
77.56%	A. T. & S. F.	$42,562,564	$13,725,733	$56,288,297	$43,085,525	76.54%
87.09%	C. R. I. & P.	24,965,091	7,344,739	32,309,830	28,071,249	86.88%
58.91%	C. & A.	6,431,465	1,927,569	8,359,034	6,578,041	78.69%
109.97%	C. & E. I.	4,672,601	1,630,915	6,303,516	5,297,279	84.04%
87.27%	C. & N. W.	28,872,665	12,425,997	41,298,652	35,328,648	85.54%
98.38%	C. B. & Q.	26,522,642	11,973,001	38,495,643	31,722,968	82.41%
140.20%	C. G. W.	3,909,610	1,475,610	5,385,220	5,318,474	98.76%
106.34%	C. M. & St. P.	21,768,171	11,514,609	33,282,780	34,321,248	103.12%
79.93%	C. St. P. M. & O.	5,709,096	1,743,306	7,452,402	5,693,939	76.40%
120.84%	D. S. S. & A.	1,125,739	330,317	1,456,056	1,406,938	96.63%
37.48%	E. J. & E.	513	.....	513	.....	.....
33.05%	G. B. & W.	146,816	50,685	197,501	247,629	125.38%
96.32%	I. C.	25,335,815	8,147,942	33,483,757	30,317,192	90.54%
36.65%	L. S. & Ishpeming	52,356	23,577	75,933	161,090	212.15%
	M. & St. L.	1,414,677	602,229	2,016,906	2,759,664	136.83%
90.24%						
73.38%	M. St. P. & S. S. M.	6,575,906	3,232,212	9,808,118	9,143,447	93.22%
83.33%	Q. O. & K. C.	244,796	96,310	341,106	401,653	117.75%
91.92%	Wabash	9,328,465	3,119,592	12,448,057	11,186,008	89.86%
95.22%						
91.79%						
96.91%						
90.87%						
91.50%						
94.98%						
95.05%	Total	$209,638,978	$79,364,343	$289,003,321	$251,040,992	86.86%
88.63%	Total, Excl. A. T. S. F. & C. R. I. P.	142,111,323	58,293,871	200,405,194	179,884,218	89.76%

Summary Comparing the Freight Earnings and Freight Operating Expenses per Ton Mile for Class I Carriers in Southwestern and Western Trunk Line Territories for the Years Ended December 31, 1923, and 1924

	Year 1923		Year 1924		Years 1923 and 1924 Combined	
	Railways in S. W. Territory	Railawys in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory
Including A., T. & S. F. Ry. and C. R. I. &P. Ry. in Both Southwestern Territory and Western Trunk Line Territory						
Freight Earnings, Including Miscellaneous Freight Earnings	$634,348,826	$974,985,514	$664,005,734	$921,732,151	$1,298,354,560	$1,896,717,665
Freight Operating Expenses	481,820,838	750,309,037	473,738,139	684,679,189	955,558,977	1,434,988,226
Tons Carried One Mile (Thousands)	46,447,799	86,219,876	50,078,509	81,685,850	96,526,308	167,905,726
Freight Earnings, Including Miscellaneous Freight Earnings per Ton Mile	1.366c	1.131c	1.326c	1.128c	1.345c	1.130%
Freight Operating Expenses per Ton Mile	1.037c	.870c	.946c	.838c	.990c	.855%
Excluding A., T. & S. F. Ry. and C., R. I. & P. Ry. from Both Southwestern Territory and Western Trunk Line Territory						
Freight Earnings, Including Miscellaneous Freight Earnings	$401,037,505	$741,674,193	$434,242,528	$691,968,945	$835,280,033	$1,433,643,138
Freight Operating Expenses	306,470,637	574,958,836	307,188,549	518,129,599	613,695,186	1,093,088,435
Tons Carried One Mile (Thousands)	29,376,825	69,148,902	32,570,574	64,177,915	61,947,399	133,326,817
Freight Earnings, Including Miscellaneous Freight Earnings per Ton Mile	1.365c	1.073c	1.333c	1.078c	1.348c	1.075c
Freight Operating Expenses per Ton Mile	1.043c	.831	.943c	.807c	.991c	.820c

[fol. 671]

Freight Earnings and Freight Operating Expenses per Ton Mile for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1923

Carriers in Southwestern Territory

Road (1)	Freight traffic: Earnings incl. miscl. freight earnings (2)	Operating expenses (3)	Tons one mile (thousands) (4)	Earnings per ton one mile (cents) (5)	Operating expenses per ton one mile (cents) (6)
A. T. S. F. (Inc. G. C. S. F. & P. & S. F.)	$169,850,414	$123,982,503	$12,323,209	1.378	1.006
C. R.I. & P. (Inc. C. R. I. & G.)	95,156,029	76,129,105	7,475,439	1.273	1.018
Ft. W. & D. C.	6,988,262	4,933,342	469,002	1.490	1.052
Ft. S. & W.	1,211,643	1,002,879	64,508	1.878	1.555
Gulf Coast Lines	8,940,083	4,879,787	602,635	1.483	.810
I. & G. N.	12,148,097	9,064,035	677,806	1.792	1.337
K. C. M. & O. (Inc. K. C. M. & O. of T.)	3,286,984	2,894,984	244,368	1.345	1.185
K. C. S. (Inc. T. & Ft. S.)	19,259,534	13,743,593	1,684,014	1.144	.816
K. O. & G.	2,295,107	1,684,298	165,035	1.391	1.021
La. & Ark.	3,302,653	1,976,103	208,366	1.585	.948
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	4,247,168	3,134,063	280,255	1.515	1.118
Mid. Val.	3,609,296	2,311,757	181,091	1.993	1.277
M. & N. A.	1,156,427	868,322	43,335	2.669	2.004
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	40,772,388	30,178,188	2,789,306	1.462	1.082
Mo. Pac.	89,092,223	72,816,835	7,416,476	1.201	.982
St. L.-S. F. (Inc. St. L.-S. F. & T. & Ft. W. & R. G.)	63,809,803	47,824,552	4,431,912	1.440	1.079
St. L. S. W. (Inc. St. L. S. W. of T.)	25,136,012	17,576,406	1,697,769	1.481	1.035
S. A. & A. P.	5,175,944	3,996,995	217,756	2.377	1.836
S. A. U. & G.	884,448	586,135	34,901	2.534	1.679
Sou. Pac. (Tex. & La.)	47,678,912	39,961,800	3,639,360	1.310	1.098
T. & P.	22,952,946	17,364,692	1,419,938	1.616	1.223
T. & B. V.	3,199,717	2,156,889	183,797	1.741	1.174
V. S. & P.	3,028,960	2,168,288	165,461	1.831	1.310
Wich. Val.	1,166,665	585,287	32,060	3.639	1.826
Total	$634,348,826	$481,820,838	$46,447,799	1.366	1.037
Total, Excl. A. T. & S. F. & C. R. I. & P.	$401,037,505	$308,470,637	$29,376,825	1.365	1.043

Carriers in Western Trunk Line Territory

Road (7)	Freight traffic: Earnings incl. miscl. freight earnings (8)	Operating expenses (9)	Tons one mile (thousands) (10)	Earnings per ton one mile (cents) (11)	Operating expenses per ton one mile (cents) (12)
A. T. & S. F.	$142,695,563	$102,802,444	$9,889,483	1.443	1.040
C. R. I. & P.	90,615,758	72,547,757	7,181,491	1.262	1.010
C. & A.	24,823,336	18,474,210	2,436,637	1.019	.758
C. & E. I.	21,682,986	19,018,262	2,304,817	.941	.825
C. & N. W.	117,945,648	94,503,162	9,248,615	1.275	1.022
C. B. & Q.	131,262,758	101,617,299	12,690,384	1.034	.801
C. G. W.	19,864,646	15,990,596	1,969,074	1.009	.812
C. M. & St. P.	133,369,055	100,636,821	11,922,244	1.119	.844
C. St. P. M. & O.	20,529,793	17,552,657	1,612,952	1.273	1.088
D. S. S. & A.	4,323,652	3,227,554	305,992	1.413	1.055
E. J. & E.	27,539,184	18,483,534	1,959,289	1.406	.943
G. B. & W.	1,112,721	856,914	66,434	1.675	1.290
I. C.	130,593,258	102,570,478	15,069,986	.867	.681
L. S. & Ishpeming	1,275,785	726,777	43,002	2.967	1.695
M. & St. L.	14,308,330	11,570,529	1,276,675	1.121	.906
M. St. P. S. S. M.	38,462,396	28,186,752	3,515,132	1.094	.802
Q. O. & K. C.	881,599	901,985	54,457	1.619	1.656
Wabash	53,699,046	40,639,306	4,673,212	1.149	.870
Total	$974,985,514	$750,309,037	$86,219,876	1.131	.870
Total, Excl. A. T. & S. F. & C. R. I. & P.	$741,674,193	$574,958,836	$69,148,902	1.073	.831

Freight Earnings and Freight Operating Expenses per Ton Mile for Class I Carriers in Southwestern and West

Carriers in Southwestern Territory

Road (1)	Freight traffic: Earnings incl. miscl. freight earnings (2)	Operating expenses (3)	Tons one mile (thousands) (4)	Earnings per ton one mile (cents) (5)	Operating expenses per ton one mile (cents) (6)
A. T. S. F. (Inc. G. C. F. S. & P. & S. F.)	$171,935;029	$121,081,159	$13,080,878	1.314	.926
C. R. I. & P. (Inc. C. R. I. & G.)	97,287,058	71,948,367	7,853,201	1.239	.916
Ft. W. & D. C.	8,405,857	5,070,947	564,420	1.489	.898
Ft. S. & W.	1,587,012	1,062,011	73,218	2.168	1.450
Gulf Coast Lines	11,218,226	6,204,212	791,898	1.417	.783
I. & G. N.	13,302,933	9,415,077	721,964	1.842	1.304
K. C. M. & O. (Inc. K. C. M. & O. of T.)	4,634,805	3,758,572	346,202	1.339	1.086
K. C. S. (Inc. T. & Ft. S.)	18,186,474	12,239,143	1,542,245	1.179	.794
K. O. & G.	2;021,035	1,629,997	140,315	1.440	1.162
La. & Ark.	3,560,486	2,404,604	235,741	1.510	1.020
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	4,890,698	3,713,974	354,421	1.380	1.048
Mid. Val.	3,801,501	2,382,759	212,071	1.793	1.124
M. & N. A.	1,257,537	1,041,209	57,751	2.178	1.803
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	43,298,590	27,591,615	3,068,948	1.411	.899
Mo. Pac.	99,390,535	74,149,942	8,773,081	1.133	.845
St. L.-S. F. (Inc. St. L. S. F. & T. & Ft. W. & R. G.)	66,635,866	46,610,922	4,705,560	1.416	.991
St. L. S. W. (Inc. St. L. S. W. of T.)	23,260,292	15,633,403	1,423,436	1.634	1.098
S. A. & A. P.	6,187,852	4,759,716	281,287	2.200	1.692
S. A. U. & G.	1,158,665	814,166	59,386	1.951	1.371
Sou. Pac. (Tex. & La.)	50,656,613	39,265,955	3,807,230	1.331	1.031
T. & P.	24,422,422	18,042,263	1,616,722	1.511	1.116
T. & B. V.	2,376,529	1,962,917	144,701	1.642	1.357
V. S. & P.	3,028,941	2,330,317	184,464	1.642	1.263
Wich. Val.	1,500,778	624,892	39,369	3.812	1.587
Total	$664,005,734	$473,738,139	$50,078,509	1.326	.946
Total, Excl. A. T. & S. F. & C. R. I. & P.	$434,242,528	$307,188,549	$32,570,574	1.333	.943

uthwestern and Western Trunk Line Territories, for the Year Ended December 31, 1924

Carriers in Western Trunk Line Territory

Operating expenses per ton one mile (cents) (6)	Road (7)	Freight traffic: Earnings incl. miscl. freight earnings (8)	Freight traffic: Operating expenses (9)	Freight traffic: Tons one mile (thousands) (10)	Freight traffic: Earnings per ton one mile (cents) (11)	Freight traffic: Operating expenses per ton one mile (cents) (12)
.926	A. T. & S. F.	$137,885,941	$98,056,347	$10,003,531	1.378	.980
.916	C. R. I. & P.	91,877,265	68,493,243	7,504,404	1.224	.913
.898	C. & A.	22,494,996	17,315,428	2,183,641	1.030	.793
1.450	C. & E. I.	19,765,273	17,155,977	2,211,994	.894	.776
.783	C. & N. W.	108,155,932	85,207,997	8,290,313	1.305	1.028
1.304	C. B. & Q.	124,179,235	88,235,766	12,287,748	1.011	.718
1.086	C. G. W.	19,341,458	14,919,937	1,944,029	.995	.767
.794	C. M. & St. P.	125,083,678	91,228,812	11,004,765	1.137	.829
1.162	C. St. P. M. & O.	20,463,334	16,495,885	1,638,715	1.249	1.007
1.020	D. S. S. & A.	4,446,073	3,379,487	319,694	1.391	1.057
1.048	E. J. & E.	21,521,274	15,287,842	1,504,529	1.430	1.016
1.124	G. B. & W.	1,300,185	899,482	83,244	1.562	1.081
1.803	I. C.	118,227,792	87,527,540	13,063,940	.905	.670
.899	L. S. & Ishpeming	1,728,682	1,182,421	70,073	2.467	1.687
.845	M. & St. L.	13,080,220	11,787,328	1,207,204	1.083	.976
.991	M. St. P. & S. S. M.	38,137,242	27,670,407	3,407,219	1.119	.812
1.098	Q. O. & K. C.	710,699	722,880	39,833	1.784	1.815
1.692	Wabash	53,332,872	39,112,410	4,920,974	1.084	.795
1.371						
1.031						
1.116						
1.357						
1.263						
1.587						
.946	Total	$921,732,151	$684,679,189	$81,685,850	1.128	.838
.943	Total, Excl. A. T. & S. F. & C. R. I. & P.	$691,968,945	$518,129,599	$64,177,915	1.078	.807

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Summary Comparing the Cost of Freight Station and Yard Expenses per Ton of Revenue Freight Handled of Class I Carriers in Southwestern and Western Trunk Line Territories for the Years Ended December 31, 1923, and 1924

	Year 1923		Year 1924		Years 1923 and 1924 combined	
	Railways in S. W. Territory	Railways in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory
Including A., T. & S. F. Ry. and C., R. I. & P. Ry. in Both Southwestern Territory and Western Trunk Line Territory						
Freight Station and Year Expenses....	$84,710,503	$152,113,238	$85,778,868	$145,492,705	$170,489,371	$297,605,943
Tons of Revenue Freight Handled.....	203,619,976	409,051,489	216,305,715	385,475,179	419,025,691	794,526,668
Cost of Station and Yard Expenses per Ton of Revenue Freight Handled....	41.60c	37.19c	39.66c	37.74c	40.60c	37.46c
Excluding A., T. & S. F. Ry. and C. R. I. & P. Ry. from Both Southwestern Territory and Western Trunk Line Territory						
Freight Station and Yard Expenses....	$50,520,962	$117,923,697	$51,814,523	$111,528,360	$102,335,485	$229,452,057
Tons of Revenue Freight Handled.....	134,269,881	339,701,394	145,049,127	314,218,591	279,319,008	653,919,985
Cost of Station and Yard Expenses per Ton of Revenue Freight Handled....	37.63c	34.71c	35.72c	35.49c	36.64c	35.09c

Cost of Freight Station and Yard Expenses per Ton of Revenue Freight Handled for Class I Carriers in Southwestern and Western Trunk L

Carriers in Southwestern Territory

Carriers in W

Road	Freight station and yard expenses	Tons of revenue freight handled	Cost of station and yard expenses per ton of frt. handled (cents)
			(5)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	$19,730,399	39,681,166	49.72
C. R. I. & P. (Inc. C. R. I. & G.)	14,459,142	29,668,929	48.73
Ft. W. & D. C.	901,285	2,900,189	31.08
Ft. S. & W.	111,279	587,624	18.94
Gulf Coast Lines	798,673	3,774,839	21.16
I. & G. N.	2,241,829	4,170,323	53.76
K. C. M. & O. (Inc. K. C. M. & O. of T.)	280,037	1,034,086	27.08
K. C. S. (Inc. T. & Ft. S.)	2,289,805	7,046,132	32.50
K. O. & G.	285,638	1,656,447	17.24
La. & Ark.	266,680	2,202,186	12.11
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	567,740	2,296,089	24.73
Mid. Val.	352,411	2,311,544	15.25
M. & N. A.	107,503	431,279	24.93
M. K. T. (Inc. M. K. T. of T. and W. F. & N. W.)	5,054,450	11,231,232	45.00
Mo. Pac.	13,625,080	32,715,582	41.65
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	8,580,775	23,844,147	35.99
St. L. S. W. (Inc. St. L. S. W. of T.)	2,625,465	6,365,897	41.24
S. A. & A. P.	669,686	1,608,866	41.62
S. A. U. & G.	114,666	335,562	34.17
Sou. Pac. (Tex. & La.)	7,255,184	17,154,243	42.29
T. & P.	3,539,468	8,892,982	39.80
T. & B. V.	320,595	1,308,427	24.50
V. S. & P.	474,472	2,000,530	23.72
Wichita Valley	58,241	401,675	14.50
Total	$84,710,503	203,619,976	41.60
Total, Excl. A. T. & S. F. and C. R. I. & P.	$50,520,962	134,269,881	37.63

Road
A. T. & S. F. (Inc. G. C. & S. F. and P.
C. R. I. & P. (Inc. C. R. I. & G.)
C. & A.
C. & E. I.
C. & N. W.
C. B. & Q.
C. G. W.
C. M. & St. P.
C. St. P M. & O.
D. S. S. & A.
E. J. & E.
G. B. & W.
I. C.
L. S. & Ishpeming
M. & St. L.
M. St. P. & S. S. M.
Q. O. & K. C.
Wabash
Total
Total, Excl. A. T. & S. F. and C.

n of Revenue Freight Handled for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1923

ern Territory

Freight station and yard expenses	Tons of revenue freight handled	Cost of station and yard expenses per ton of frt. handled (cents)
$19,730,399	39,681,166	49.72
14,459,142	29,668,929	48.73
901,285	2,900,189	31.08
111,279	587,624	18.94
798,673	3,774,839	21.16
2,241,829	4,170,323	53.76
280,037	1,034,086	27.08
2,289,805	7,046,132	32.50
285,638	1,656,447	17.24
266,680	2,202,186	12.11
567,740	2,296,089	24.73
352,411	2,311,544	15.25
107,503	431,279	24.93
5,054,450	11,231,232	45.00
13,625,080	32,715,582	41.65
8,580,775	23,844,147	35.99
2,625,465	6,365,897	41.24
669,686	1,608,866	41.62
114,666	335,562	34.17
7,255,184	17,154,243	42.29
3,539,468	8,892,982	39.80
320,595	1,308,427	24.50
474,472	2,000,530	23.72
58,241	401,675	14.50
$84,710,503	203,619,976	41.60
$50,520,962	134,269,881	37.63

Carriers in Western Trunk Line Territory

Road (5)	Freight station and yard expenses (6)	Tons of revenue freight handled (7)	Cost station and ya expens per ton frt. han (cents (8)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	$19,730,399	39,681,166	49.7
C. R. I. & P. (Inc. C. R. I. & G.)	14,459,142	29,668,929	48.7
C. & A.	3,808,283	13,507,046	28.1
C. & E. I.	4,176,586	14,697,968	28.4
C. & N. W.	20,021,312	58,207,915	34.4
C. B. & Q.	19,661,630	43,483,603	45.2
C. G. W.	3,113,244	6,722,786	46.3
C. M. & St. P.	20,491,717	51,314,300	39.9
C. St. P M. & O.	3,961,671	10,511,198	37.6
D. S. S. & A.	734,693	3,901,908	18.8
E. J. & E.	5,221,608	35,291,656	14.8
G. B. & W.	119,218	782,445	15.2
I. C.	20,101,683	55,110,674	36.4
L. S. & Ishpeming	195,586	2,794,387	7.0
M. & St. L.	1,917,208	7,311,189	26.2
M. St. P. & S. S. M.	5,714,474	16,758,404	34.1
Q. O. & K. C.	117,034	566,550	20.6
Wabash	8,567,750	18,739,365	45.7
Total	$152,113,238	409,051,489	37.1
Total, Excl. A. T. & S. F. and C. R. I. & P.	$117,923,697	339,701,394	34.7

[fol. 675]

Cost of Freight Station and Yard Expenses per Ton of Revenue Freight Handled for Class I Carriers in Southwestern and

Carriers in Southwestern Territory

Road (1)	Freight station and yard expenses (2)	Tons of revenue freight handled (3)	Cost of station and yard expenses per ton of frt. handled (cents) (4)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	$19,733,586	40,695,205	48.49
C. R. I. & P. (Inc. C. R. I. & G.)	14,230,759	30,561,383	46.56
Ft. W. & D. C.	989,967	3,402,165	29.10
Ft. S. & W.	122,478	737,977	16.60
Gulf Coast Lines	955,279	4,111,838	23.23
I. & G. N.	2,314,576	4,429,176	52.26
K. C. M. & O. (Inc. K. C. M. & O. of T.)	359,233	1,478,409	24.30
K. C. S. (Inc. T. & Ft. S.)	2,274,521	6,958,838	32.69
K. O. & G.	251,391	1,436,062	17.51
La. & Ark.	278,963	2,572,140	10.85
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	646,001	2,721,800	23.73
Mid. Val.	315,796	2,608,905	12.10
M. & N. A.	114,763	457,557	25.08
M.-K.-T. (Inc. M.-K.-T. and W. F. & N. W.)	5,067,046	11,978,114	42.30
Mo. Pac.	14,165,355	36,713,004	38.58
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	8,580,886	24,799,301	34.62
St. L. S. W. (Inc. St. L. S. W. of T.)	2,401,935	5,901,480	40.70
T. A. & A. P.	729,030	2,298,710	31.71
T. A. U. & G.	145,198	517,071	28.08
Tou. Pac. (Tex. & La.)	7,524,288	18,911,141	39.79
T. & P.	3,670,930	9,394,609	39.07
T. & B. V.	307,627	916,595	33.56
W. S. & P.	525,891	2,233,726	23.54
Wichita Valley	73,369	480,509	15.26
Total	$85,778,868	216,305,715	39.66
Total, Excl. A., T. & S. F. and C., R. I. & P.	$51,814,523	145,049,127	35.72

A. T. & S. F. (Inc. G	
C. R. I. & P. (Inc. C	
C. & A.	
C. & E. I.	
C. & N. W.	
C. B. & Q.	
C. G. W.	
C. M. & St. P.	
C. St. P. M. & O.	
D. S. S. & A.	
E. J. & E.	
G. B. & W.	
I. C.	
L. S. & Ishpeming	
M. & St. L.	
M. St. P. & S. S. M.	
Q. O. & K. C.	
Wabash	
Total	
Total, Excl. A	

Revenue Freight Handled for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1924

ht n rd ses	Tons of revenue freight handled (3)	Cost of station and yard expenses per ton of frt. handled (cents) (4)	Carriers in Western Trunk Line Territory — Road (5)	Freight station and yard expenses (6)	Tons of revenue freight handled (7)	Cost of station and Yard expenses per ton of frt. handled (cents) (8)
,586	40,695,205	48.49	A. T. & S. F. (Inc. G. C. & S F. and P. & S. F.)	$19,733,586	40,695,205	48.49
,759	30,561,383	46.56	C. R. I. & P. (Inc. C. R. I. & G.)	14,230,759	30,561,383	46.56
,967	3,402,165	29.10	C. & A	3,859,104	12,616,257	30.59
,478	737,977	16.60	C. & E. I	4,035,128	13,387,224	30.14
,279	4,111,838	23.23	C. & N. W	18,744,978	52,158,316	35.94
,576	4,429,176	52.26	C. B. & Q	18,051,456	42,778,294	42.20
,233	1,478,409	24.30	C. G. W	3,073,656	6,587,565	46.66
,521	6,958,838	32.69	C. M. & St. P	19,431,857	47,143,747	41.22
,391	1,436,062	17.51	C. St. P. M. & O	3,888,499	10,567,741	36.80
,963	2,572,140	10.85	D. S. S. & A	746,498	4,273,860	17.47
,001	2,721,800	23.73	E. J. & E	4,679,528	29,558,259	15.83
,796	2,608,905	12.10	G. B. & W	131,261	890,880	14.73
,763	457,557	25.08	I. C	18,563,019	49,040,926	37.85
,046	11,978,114	42.30	L. S. & Ishpeming	254,042	2,986,686	8.51
,355	36,713,004	38.58	M. & St. L	1,835,697	6,642,929	27.63
,886	24,799,301	34.62	M. St. P. & S. S. M	5,354,019	15,820,453	35.11
,935	5,901,480	40.70	Q. O. & K. C	88,709	475,649	18.65
,030	2,298,710	31.71	Wabash	8,590,909	19,289,805	44.54
,198	517,071	28.08				
,288	18,911,141	39.79				
,930	9,394,609	39.07				
,627	916,595	33.56				
,891	2,233,726	23.54				
,369	480,509	15.26				
,868	216,305,715	39.66	Total	$145,492,705	385,475,179	37.74
,523	145,049,127	35.72	Total, Excl. A., T. & S. F. and C. R. I. & P.	$111,528,360	314,218,591	35.49

[fol. 676]

Summary Comparing the Tons of One Mile of Revenue Freight per Mile of Road for Class I Carriers in Southwestern and Western Trunk Line

Ended December 31, 1916, 1917, 1921, 1922, 1923 and 1924

Year	Carriers in Southwestern Territory			Year	Carriers in Western Trunk Line Terri		
	Average miles of road operated	Tons of Revenue freight carried one mile (thousands)	Tons one mile per mile of road		Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mi per mile o road
Including A., T. & S. F. Ry. and C., R. I. & P. Ry. in Both Southwestern Territory and Western Trunk Line Territor							
1916	50,992.76	40,040,114	785,212	1916	64,804.89	73,395,121	1,132,
1917	51,024.05	45,763,135	896,893	1917	64,976.41	82,760,582	1,273,
1921	51,127.03	40,355,183	789,312	1921	65,334.42	66,975,812	1,025,
1922	51,037,91	40,624,889	795,975	1922	65,465.55	76,390,837	1,166,
1923	50,963.94	46,447,799	911,386	1923	65,640.23	86,219,876	1,313,
1924	51,036.30	50,078,509	981,233	1924	65,866.32	81,685,850	1,240,
Average of 6 years	51,030.33	43,884,938	859,978	Average of 6 years	65,347.97	77,904,680	1,192,
Excluding A., T. & S. F. Ry. and C. R. I. & P. Ry. from Both Southwestern Territory and Western Trunk Line Territ							
1916	34,743.88	24,779,329	713,775	1916	48,556.01	58,154,336	1,197,
1917	34,637.18	28,164,130	813,118	1917	48,589.54	65,161,577	1,341,
1921	34,631.72	25,980,692	750,119	1921	48,389.11	52,601,321	1,077,
1922	34,525.70	25,237,378	730,974	1922	48,953.34	61,003,326	1,246,
1923	34,371.84	29,376,825	854,677	1923	49,048.13	69,148,902	1,409,
1924	34,355.23	32,570,574	948,053	1924	49,185.25	64,177,915	1,304,
Average of 6 years	34,544.26	27,688,155	801,527	Average of 6 years	48,861.90	61,707,896	1,262,

ns of One Mile of Revenue Freight per Mile of Road for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Years Ended December 31, 1916, 1917, 1921, 1922, 1923 and 1924

Carriers in Southwestern Territory				Carriers in Western Trunk Line Territory				
Average miles of road operated	Tons of Revenue freight carried one mile (thousands)	Tons one mile per mile of road	Year	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road	Increase in tons one mile per mile of road, Western Trunk Line Territory, over Southwestern Territory	
							Amount	Per cent
uding A., T. & S. F. Ry. and C., R. I. & P. Ry. in Both Southwestern Territory and Western Trunk Line Territory								
50,992.76	40,040,114	785,212	1916	64,804.89	73,395,121	1,132,255	347,343	44.24%
51,024.05	45,763,135	896,893	1917	64,976.41	82,760,582	1,273,702	376,809	42.01%
51,127.03	40,355,183	789,312	1921	65,334.42	66,975,812	1,025,123	235,811	29.88%
51,037,91	40,624,889	795,975	1922	65,465.55	76,390,837	1,166,886	370,911	46.60%
50,963.94	46,447,799	911,386	1923	65,640.23	86,219,876	1,313,522	402,136	44.12%
51,036.30	50,078,509	981,233	1924	65,866.32	81,685,850	1,240,176	258,943	26.39%
51,030.33	43,884,938	859,978	Average of 6 years	65,347.97	77,904,680	1,192,151	332,173	38.63%
ding A., T. & S. F. Ry. and C. R. I. & P. Ry. from Both Southwestern Territory and Western Trunk Line Territory								
34,743.88	24,779,329	713,775	1916	48,556.01	58,154,336	1,197,675	483,900	67.79%
34,637.18	28,164,130	813,118	1917	48,589.54	65,161,577	1,341,062	527,944	64.93%
34,631.72	25,980,692	750,119	1921	48,389.11	52,601,321	1,077,033	326,834	43.57%
34,525.70	25,237,378	730,974	1922	48,953.34	61,003,326	1,246,152	515,178	70.48%
34,371.84	29,376,825	854,677	1923	49,048.13	69,148,902	1,409,817	555,140	64.95%
34,355.23	32,570,574	948,053	1924	49,185.25	64,177,915	1,304,820	356,767	37.63%
34,544.26	27,688,155	801,527	Average of 6 years	48,861.90	61,707,896	1,262,904	461,377	57.56%

Tons One Mile of Revenue Freight per Mile of Road for Class I Carriers in Southwestern and Western Trunk Carriers in Southwestern Territory

Road (1)	Average miles of road operated (2)	Tons of revenue freight carried one mile (thousands) (3)	Tons one mile per mile of road (4)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,244.40	11,119,143	988,860
C. R. I. & P. (Inc. C. R. I. & G.)	8,090.40	6,427,424	794,451
Ft. W. & D. C	454.14	464,378	1,022,544
Ft. S. & W	253.65	41,809	164,829
Gulf Coast Lines	897.64	329,954	367,579
I. & G. N	1,159.50	719,621	620,630
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	185,665	251,623
K. C. S. (Inc. T. & Ft. S.)	842.73	1,172,356	1,391,141
K. O. & G	332.36	165,233	497,151
La. & Ark	278.72	120,329	431,720
L. Ry. & N. Co	349.18	160,377	459,296
Mid. Val	383.02	122,339	319,406
M. & N. A	365.24	59,896	163,991
M. K. & T. (Inc. M. K. & T. of T. and W. F. & N. W.)	3,865.02	2,413,801	624,525
Mo. Pac	7,437.26	6,833,079	918,763
St. L.-S. F. (Inc. St. L. S. F. & T.) and Ft. W. & R. G	5,231.11	3,694,023	706,164
St. L.-S. W. (Inc. St. L. S. W. of T.)	1,753.83	956,572	545,419
S. A. & A. P	732.65	177,677	242,513
S. A. U. & G	317.26	22,135	69,769
Sou. Pac. (Tex. & La.)	3,534.70	3,145,083	889,774
T. & P	1,946.50	1,521,020	781,413
T. & B. V	357.21	72,329	202,483
V. S. & P	171.47	88,414	515,624
Wich. Val	256.90	27,457	106,878
Total	50,992.76	40,040,114	785,212
Total, Excl. A., T. & S. F. & C. R. I. & P	34,743.88	24,799,329	713,775

A. T. & S. F	
C. R. I. & P	
C. & A	
C. & E. I	
C. & N. W	
C. B. & Q	
C. G. W	
C. M. & St. P	
C. St. P. M. & O	
D. S. S. & A	
E. J. & E	
G. B. & W	
I. C	
L. S. & Ishpeming	
M. & St. L	
M. St. P. & S. S. M	
Q. O. & K. C	
Wabash	
Total	
Total, Excl. A	

Road for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1916.

Carriers in Western Trunk Line Territory

Tons of revenue freight carried one mile (thousands) (3)	Tons one mile per mile of road (4)	Road (5)	Average miles of road operated (6)	Tons of revenue freight carried one mile (thousands) (7)	Tons one mi per mil of roa (8)
11,119,143	988,860	A. T. & S. F.	8,636.42	9,050,401	1,047
6,427,424	794,451	C. R. I. & P.	7,612.46	6,190,384	813
464,378	1,022,544	C. & A.	1,052.65	2,024,046	1,922
41,809	164,829	C. & E. I.	1,160.62	2,346,826	2,022
329,954	367,579	C. & N. W.	8,423.55	8,171,659	970
719,621	620,630	C. B. & Q.	9,370.39	10,923,326	1,165
185,665	251,623	C. G. W.	1,490.22	1,716,360	1,151
1,172,356	1,391,141	C. M. & St. P.	10,196.25	10,747,323	1,054
165,233	497,151	C. St. P. M. & O.	1,752.81	1,714,280	978
120,329	431,720	D. S. S. & A.	602.42	295,526	490
160,377	459,296	E. J. & E.	797.36	1,953,647	2,450
122,339	319,406	G. B. & W.	252.70	56,668	224
59,896	163,991	I. C.	4,766.79	9,156,871	1,920
2,413,801	624,525	L. S. & Ishpeming	34.04	50,926	1,496
6,833,079	918,763	M. & St. L.	1,646.75	1,060,813	644
		M. St. P. & S. S. M.	4,228.11	3,438,077	813
3,694,023	706,164				
956,572	545,419	Q. O. & K. C.	262.29	57,127	217
177,677	242,513	Wabash	2,519.06	4,440,861	1,762
22,135	69,769				
3,145,083	889,774				
1,521,020	781,413				
72,329	202,483				
88,414	515,624				
27,457	106,878				
40,040,114	785,212	Total	64,804.89	73,395,121	1,132
24,799,329	713,775	Total, Excl. A. T. & S. F. & C. R. I. & P.	48,556.01	58,154,336	1,197

[fol. 678]

Tons One Mile of Revenue Freight per Mile of Road for Class I Carriers in Southwestern and Western Trunk

Carriers in Southwestern Territory

Road (1)	Average miles of road operated (2)	Tons of revenue freight carried one mile (thousands) (3)	Tons one mile per mile of road (4)	
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,269.32	12,888,590	1,143,688	A. T. & S. F.
C. R. I. & P (Inc. C. R. I. & G.)	8,219.36	7,076,007	860,895	C. R. I. & P.
Ft. W. & D. C.	454.14	439,516	967,798	C. & A.
Ft. S. & W.	253.65	51,346	202,429	C. & E. I.
Gulf Coast Lines	858.15	362,697	422,650	C. & N. W.
I. & G. N.	1,159.50	751,526	648,147	C. B. & Q.
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	217,997	295,441	C. G. W.
K. C. S. (Inc. T. & Ft. S.)	861.73	1,432,559	1,662,422	C. M. & St. P.
K. O. & G.	332.00	196,015	590,407	C. St. P. M. & O.
La. & Ark.	302.34	97,100	321,162	D. S. S. & A.
L. Ry. & N. Co.	352.37	149,828	425,201	E. J. & E.
Mid. Val.	383.66	199,112	518,980	G. B. & W.
M. & N. A.	365.24	69,269	189,653	I. C.
M. K. & T. (Inc. M. K. & T. of T. and W. F. & N. W.)	3,866.31	2,986,316	772,394	L. S. & Ishpeming
Mo. Pac.	7,325.41	7,779,770	1,062,025	M. & St. L.
				M. St. P. & S. S. M.
t. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	5,181.17	3,960,644	764,430	
t. L.-S. W. (Inc. St. L. S. W. of T.)	1,753.50	1,270,839	724,744	Q. O. & K. C.
. A. & A. P.	726.25	174,210	239,876	Wabash
. A. U. & G.	317.26	22,860	72,054	
ou. Pac. (Tex. & La.)	3,561.15	3,956,430	1,110,998	
. & P.	1,946.50	1,480,535	760,614	
. & B. V.	368.80	67,392	182,733	
. S. & P.	171.47	108,527	632,921	
ich. Val.	256.90	24,050	93,616	
Total	51,024.05	45,763,135	896,893	Total
Total, Excl. A., T. & S. F. & C., R. I. & P.	34,637.18	28,164,130	813,118	Total, Excl. A.

Road for Class I Carriers in Southwestern and Western Trunk Line Territories for the Year Ended December 31, 1917

Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road	Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road
		Carriers in Western Trunk Line Territory			
(3)	(4)	(5)	(6)	(7)	(8)
12,888,590	1,143,688	A. T. & S. F.	9,642.32	10,789,600	1,248,461
7,076,007	860,895	C. R. I. & P.	7,744.55	6,809,405	879,251
439,516	967,798	C. & A.	1,052.65	2,396,078	2,276,234
51,346	202,429	C. & E. I.	1,131.39	3,062,989	2,707,280
362,697	422,650	C. & N. W.	8,423.80	9,270,929	1,100,564
751,526	648,147	C. B. & Q.	9,373.38	13,143,186	1,402,182
217,997	295,441	C. G. W.	1,496.06	1,639,675	1,095,995
1,432,559	1,662,422	C. M. & St. P.	10,256.53	10,545,443	1,028,169
196,015	590,407	C. St. P. M. & O.	1,749.33	1,678,231	959,356
97,100	321,162	D. S. S. & A.	600.82	343,513	571,740
149,828	425,201	E. J. & E.	802.99	2,183,852	2,719,650
199,112	518,980	G. B. & W.	253.80	48,979	192,983
69,269	189,653	I. C.	4,766.04	11,230,070	2,356,269
2,986,316	772,394	L. S. & Ishpeming	34.04	44,987	1,321,592
7,779,770	1,062,025	M. & St. L.	1,646.75	1,119,921	680,080
		M. St. P. & S. S. M.	4,227.81	3,611,369	854,194
3,960,644	764,430				
1,270,839	724,744	Q. O. & K. C.	255.09	56,980	223,372
174,210	239,876	Wabash	2,519.96	4,785,375	1,899,667
22,860	72,054				
3,956,430	1,110,998				
1,480,535	760,614				
67,392	182,733				
108,527	632,921				
24,050	93,616				
45,763,135	896,893	Total	64,976.41	82,760,582	1,273,702
28,164,130	813,118	Total, Excl. A., T. & S. F. & C., R. I. & P.	48,589.54	65,161,577	1,341,062

Tons One Mile of Revenue Freight per Mile of Road for Class I Carriers in Southwestern and Western Trunk Li

Carriers in Southwestern Territory

Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road
(1)	(2)	(3)	(4)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F)	11,599.03	10,365,967	893,693
C. R. I. & P (Inc. C. R. I. & G.)	8,122.83	6,857,673	844,247
Ft. W. & D. C	454.14	518,156	1,140,961
Ft. S. & W	249.75	54,346	217,602
Gulf Coast Lines	860.19	486,563	565,646
I. & G. N	1,159.50	736,286	635,003
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	191,460	259,448
K. C. S. (Inc. T. & Ft. S.)	863.15	1,553,509	1,799,813
K. O. & G	317.29	125,626	395,934
La. & Ark	302.34	145,526	481,332
L. Ry. & N. Co	343.67	169,577	493,430
Mid. Val	365.88	162,365	443,766
M. & N. A	364.57	22,142	60,735
M.-K.-T. (Inc. M.-K.-T. of T. and W. F. & N. W.)	3,783.69	2,761,318	729,795
Mo. Pac	7,300.36	6,432,331	881,098
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	5,130.58	3,495,497	681,306
St. L. S. W. (Inc. St. L. S. W. of T.)	1,775.97	1,296,386	729,955
S. A. & A. P	739.36	215,395	291,326
S. A. U. & G	317.26	25,095	79,099
Sou. Pac. (Tex. & La.)	3,592.27	2,941,655	818,885
T. & P	1,951.14	1,393,435	714,165
T. & B. V	368.80	204,409	554,254
V. S. & P	171.44	162,842	949.848
Wich. Val	255.86	37,624	147,049
Total	51,127.03	40,355,183	789,312
Total, Excl. A., T. & S. F. and C., R. I. & P	34,631.72	25,980,692	750,199

Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road
A. T. & S. F			
C. R. I. & P			
C. & A			
C. & E. I			
C. & N. W			
C. B. & Q			
C. G. W			
C. M. & St. P			
C. St. P. M. & O			
D. S. S. & A			
E. J. & E			
G. B. & W			
I. C			
L. S. & Ishpeming			
M. & St. L			
M. St. P. & S. S. M			
Q. O. & K. C			
Wabash			
Total			
Total, Excl. A., T			

Road for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1921.

Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road	Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road
		Carriers in Western Trunk Line Territory			
(3)	(4)	(5)	(6)	(7)	(8)
10,365,967	893,693	A. T. & S. F.	8,833.70	7,871,009	891,021
6,857,673	844,247	C. R. I. & P.	7,661.61	6,503,482	848,840
518,156	1,140,961	C. & A.	1,050.51	2,055,114	1,956,301
54,346	217,602	C. & E. I.	1,130.81	1,970,341	1,742,416
486,563	565,646	C. & N. W.	8,402.28	6,775,908	806,437
736,286	635,003	C. B. & Q.	9,393.07	10,554,788	1,123,678
191,460	259,448	C. G. W.	1,496.06	1,550,485	1,036,379
1,553,509	1,799,813	C. M. & St. P.	10,808.63	8,283,212	766,352
125,626	395,934	C. St. P. M. & O.	1,749.19	1,345,870	769,425
145,526	481,332	D. S. S. & A.	591.80	201,427	340,363
169,577	493,430	E. J. & E.	456.59	1,288,477	2,821,956
162,365	443,766	G. B. & W.	252.39	57,062	226,087
22,142	60,735	I. C.	4,799.37	11,084,094	2,309,489
2,761,318	729,795	L. S. & Ishpeming	33.43	10,869	325,127
6,432,331	881,098	M. & St. L.	1,651.01	1,050,119	636,046
3,495,497	681,306				
1,296,386	729,955	M. St. P. & S. S. M.	4,298.09	2,429,287	565,202
215,395	291,326	Q. O. & K. C.	252.92	55,319	218,721
25,095	79,099	Wabash	2,472.96	3,888,949	1,572,589
2,941,655	818,885				
1,393,435	714,165				
204,409	554,254				
162,842	949.848				
37,624	147,049				
40,355,183	789,312	Total	65,334.42	66,975,812	1,025,123
25,980,692	750,199	Total, Excl. A., T. & S. F., and C., R. I. & P.	48,839.11	52,601,321	1,077,033

Tons One Mile of Revenue Freight per Mile of Road for Class I Carriers in Southwestern and Western Tru

Carriers in Southwestern Territory

Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road
(1)	(2)	(3)	(4)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,622.74	11,166,106	960,712
C. R. I. & P (Inc. C. R. I. & G.)	8,166.23	6,650,444	819,401
Ft. W. & D. C	456.31	461,679	1,011,766
Ft. S. & W	249.75	60,845	243,624
Gulf Coast Lines	860.19	514,196	597,770
I. & G. N	1,159.50	618,064	533,044
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	169,136	229,197
K. C. S. (Inc. T. & Ft. S.)	862.93	1,507,716	1,747,205
K. O. & G	314.45	203,031	645,670
La. & Ark	302.25	162,437	537,426
La. Ry. & N. Co	343.67	188,899	549,652
Mid. Val	365.45	176,815	483,828
M. & N. A	323.29	19,400	60,008
M. K. T. (Inc. M. K. T. of T. & W. F. N. & W.)	3,737.46	2,546,598	681,371
Mo. Pac	7,261,78	5,995,684	825,649
St. L.-S. F. (Inc. St. L. S. F. & T. & Ft. W. & R. G.)	5,130.54	3,595,725	700,847
St. L. S. W. (Inc. St. L. S. W. of T.)	1,755.98	1,535,405	864,540
S. A. & A. P	739.36	193,073	261,135
S. A. U. & G	317.26	31,919	100,608
Sou. Pac. (Tex. & La.)	3,610.98	3,175,930	879,520
T. & P	1,952.74	1,379,505	706,446
T. & B. V	368.89	116,398	315,536
V. S. & P	171.44	125,100	729,701
Wich. Val	256.77	30,784	119,889
Total	51,037.91	40,624,889	795,975
Total, Excl. A., T. & S. F. & C., R. I. & P	34,525.70	25,237,378	730,974

A. T. & S. F.	
C. R. I. & P.	
C. & A.	
C. & E. I.	
C. & N. W.	
C. B. & Q.	
C. G. W.	
C. M. & St. P.	
C. St. P. M. & O.	
D. S. S. & A.	
E. J. & E.	
G. B. & W.	
I. C.	
L. S. & Ishpeming.	
M. & St. L.	
M. St. P. & S. S. M	
Q. O. & K. C.	
Wabash	
Total	
Total, Excl.	

of Road for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1922

Carriers in Western Trunk Line Territory

e f d	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road	Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	? one per of
	(3)	(4)	(5)	(6)	(7)	
4	11,166,106	960,712	A. T. & S. F.	8,857.21	9,029,371	1,0
3	6,650,444	819,401	C. R. I. & P.	7,655.00	6,358,140	8
1	461,679	1,011,766	C. & A.	1,050.51	1,802,180	1,7
5	60,845	243,624	C. & E. I.	945.13	1,871,349	1,9
9	514,196	597,770	C. & N. W.	8,403.82	7,579,554	9
0	618,064	533,044	C. B. & Q.	9,393.69	11,754,596	1,2
5	169,136	229,197	C. G. W.	1,496.06	1,729,320	1,1
8	1,507,716	1,747,205	C. M. & St. P.	11,029.86	10,601,914	9
5	203,031	645,670	C. St. P. M. & O.	1,749.19	1,479,070	8
5	162,437	537,426	D. S. S. & A.	591.30	233,524	3
7	188,899	549,652	E. J. & E.	459.22	1,461,969	3,1
5	176,815	483,828	G. B. & W.	257.46	62,022	2
9	19,400	60,008	I. C.	4,784.52	14,151,817	2,9
5	2,546,598	681,371	L. S. & Ishpeming	33.43	34,500	1,0
8	5,995,684	825,649	M. & St. L.	1,649.90	1,132,267	6
			M. St. P. & S. S. M.	4,383.57	3,115,229	7
4	3,595,725	700,847				
8	1,535,405	864,540	Q. O. & K. C.	252.72	63,218	2
6	193,073	261,135	Wabash	2,472.96	3,930,797	1,5
3	31,919	100,608				
8	3,175,930	879,520				
4	1,379,505	706,446				
	116,398	315,536				
	125,100	729,701				
	30,784	119,889				
	40,624,889	795,975	Total	65,465.55	76,390,837	1,1
	25,237,378	730,974	Total, Excl. A., T. & S. F. & C. R. I. & P.	48,953.34	61,003,326	1,2

[fol. 681]

Tons One Mile of Revenue Freight per Mile of Road for Class I Carriers in Southwestern and Western Trunk

Carriers in Southwestern Territory

Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road	
(1)	(2)	(3)	(4)	
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	11,724.23	12,323,209	1,051,089	A. T. & S. F.
C. R. I. & P. (Inc. C. R. I. & G.)	8,096.34	7,475,439	923,309	C. R. I. & P.
Ft. W. & D. C.	456.31	469,002	1,027,814	C. & A.
Ft. S. & W.	249.75	64,508	258,290	C. & E. I.
Gulf Coast Lines	860.19	602,635	700,584	C. & N. W.
I. & G. N.	1,159.50	677,806	584,567	C. B. & Q.
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	244,368	331,144	C. G. W.
K. C. S. (Inc. T. & Ft. S.)	848.68	1,684,014	1,984,274	C. M. & St. P.
K. O. & G.	314.42	165,035	524,887	C. St. P. M. & O.
La. & Ark.	302.25	208,366	689,383	D. S. S. & A.
				E. J. & E.
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	549.75	280,255	509,786	G. B. & W.
Mid. Val.	365.31	181,091	495,719	I. C.
M. & N. A.	364.57	43,335	118,866	L. S. & Ishpeming
M. K. T. (Inc. M. K. T. of T. & W. F. & N. W.)	3,559.76	2,789,306	830,210	M. & St. L.
Mo. Pac.	7,235.72	7,416,476	1,024,981	
N. L.-S. F. (Inc. St. L. S. F. & T. & Ft. W. & R. G.)	5,120.84	4,431,912	865,466	M. St. P. & S. S. M.
N. L. S. W. (Inc. St. L. S. W. of T.)	1,775.85	1,697,769	956,032	Q. O. & K. C.
N. A. & A. P.	739.36	217,756	294,520	Wabash
N. A. U. & G.	317.26	34,901	110,008	
Nou. Pac. (Tex. & La.)	3,610.98	3,639,360	1,007,859	
O. & P.	1,952.74	1,419,938	727,152	
O. & B. V.	368.79	183,797	498,243	
O. S. & P.	184.21	165,461	898,219	
Vich. Val.	296.06	32,060	119,156	
Total	50,963.94	46,447,799	911,386	Total
Total Excl. A., T. & S. F., & C., R. I. & P.	34,371.84	29,376,825	854,677	Total Excl. A.

for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1923.

Carriers in Western Trunk Line Territory

Tons of revenue freight carried one mile (thousands) (3)	Tons one mile per mile of road (4)	Road (5)	Average miles of road operated (6)	Tons of revenue freight carried one mile (thousands) (7)	Tons one mile per mile of road (8)
12,323,209	1,051,089	A. T. & S. F.	8,956.97	9,889,483	1,104,110
7,475,439	923,309	C. R. I. & P.	7,635.13	7,181,491	940,585
469,002	1,027,814	C. & A.	1,050.40	2,436,637	2,319,722
64,508	258,290	C. & E. I.	945.13	2,304,817	2,438,624
602,635	700,584	C. & N. W.	8,462.53	9,248,615	1,070,128
677,806	584,567	C. B. & Q.	9,401.41	12,690,384	1,349,838
244,368	331,144	C. G. W.	1,496.06	1,969,074	1,316,173
1,684,014	1,984,274	C. M. & St. P.	11,010.74	11,922,244	1,082,783
165,035	524,887	C. St. P. M. & O.	1,749.19	1,612,952	922,114
208,366	689,383	D. S. S. & A.	591.30	305,992	517,490
		E. J. & E.	459.72	1,959,289	4,261,918
280,255	509,786	G. B. & W.	234.15	66,434	283,724
181,091	495,719	I. C.	4,840.25	15,069,986	2,113,473
43,335	118,866	L. S. & Ishpeming	33.43	43,002	1,286,330
2,789,306	830,210	M. & St. L.	1,649.90	1,276,675	773,789
7,416,476	1,024,981				
4,431,912	865,466	M. St. P. & S. S. M.	4,396.49	3,515,132	799,531
1,697,769	956,032	Q. O. & K. C.	250.84	54,457	217,099
217,756	294,520	Wabash	2,476.59	4,673,212	1,886,954
34,901	110,008				
3,639,360	1,997,859				
1,419,938	727,152				
183,797	498,243				
165,461	898,219				
32,060	119,156				
46,447,799	911,386	Total	65,640.23	86,219,876	1,313,522
29,376,825	854,677	Total Excl. A. T. & S. F. & C. R. I. & P.	49,048.13	69,148,902	1,409,817

Tons One Mile of Revenue Freight per Mile of Road for Class I Carriers in Southwestern and Western Trunk Line

Carriers in Southwestern Territory

Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road
(1)	(2)	(3)	(4)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	11,836.98	13,080,878	1,105,086
C. R. I. & P. (Inc. C. R. I. & G.)	8,072.69	7,853,201	972,811
Ft. W. & D. C	456.64	564,420	1,236,028
Ft. S. & W	249.75	73,218	293,165
Gulf Coast Lines	860.19	791,898	920,608
I. & G. N	1,159.50	721,964	622,651
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.95	346,202	469,140
K. C. S. (Inc. T. & Ft. S.)	854.09	1,542,245	1,805,717
K. O. & G	314.42	140,315	440,266
La. & Ark	302.25	235,741	779,954
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	544.71	354,421	650,660
Mid. Val	364.90	212,071	581,176
M. & N. A	364.57	57,751	158,409
M.-K.-T. (Inc. M.-K.-T. of T.) and W. F. & N. W	3,193.14	3,068,948	961,107
Mo. Pac	7,359.97	8,773,081	1,192,000
St. L.-S. F. (Inc. St. L. S. F. and Ft. W. & R. G.)	5,132.24	4,705,560	916,863
St. L. S. W. (Inc. St. L. S. W. of T.)	1,777.01	1,423,436	801,029
S. A. & A. P	739.36	281,287	380,447
S. A. U. & G	317.26	59,386	187,184
Sou. Pac. (Tex. & La.)	3,616.67	3,807,230	1,052,689
T. & P	1,952.74	1,616,722	827,925
T. & B. V	368.89	144,701	392,261
V. S. & P	188.46	184,464	978,797
Wich. Val	271.92	39,369	144,782
Total	51,036.30	50,078,509	981,233
Total, Excl. A., T. & S. F. and C., R. I. & P	34,355.23	32,570,574	948,053

R
A. T. & S. F. (Inc. G. C. &
C. R. I. & P
C. & A
C. & E. I
C. & N. W
C. B. & Q
C. G. W
C. M. & St. P
C. St. P. M. & O
D. S. S. & A
E. J. & E
G. B. & W
I. C
L. S. & Ishpeming
M. & St. L
M. St. P. & S. S. M
Q. O. & K. C
Wabash
Total
Total, Excl. A., T.

Road for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1924

Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road	Road	Average miles of road operated	Tons of revenue freight carried one mile (thousands)	Tons one mile per mile of road
(3)	(4)	(5)	(6)	(7)	(8)
		Carriers in Western Trunk Line Territory			
13,080,878	1,105,086	A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	9,069.61	10,003,531	1,102,973
7,853,201	972,811	C. R. I. & P	7,611.46	7,504,404	985,935
564,420	1,236,028	C. & A	1,050.86	2,183,641	2,139,021
73,218	293,165	C. & E. I.	945.13	2,211,994	2,340,412
791,898	920,608	C. & N. W	8,462.83	8,290,313	979,614
721,964	622,651	C. B. & Q	9,407.23	12,287,748	1,306,203
346,202	469,140	C. G. W	1,496.06	1,944,029	1,299,433
1,542,245	1,805,717	C. M. & St. P	10,986.92	11,004,765	1,001,624
140,315	440,266	C. St. P. M. & O	1,749.19	1,638,715	936,842
235,741	779,954	D. S. S. & A	591.30	319,694	540,663
354,421	650,660	E. J. & E	459.77	1,504,529	3,272,351
212,071	581,176	G. B. & W	234.15	83,244	355,516
57,751	158,409	I. C	4,849.74	13,063,940	2,693,740
3,068,948	961,107	L. S. & Ishpeming	161.51	70,073	433,862
		M. & St. L	1,647.26	1,207,204	732,856
8,773,081	1,192,000				
4,705,560	916,863	M. St. P. & S. S. M	4,402.53	3,407,219	773,923
1,423,436	801,029	Q. O. & K. C	250.84	39,833	158,798
281,287	380,447	Wabash	2,489.93	4,920,974	1,976,350
59,386	187,184				
3,807,230	1,052,689				
1,616,722	827,925				
144,701	392,261				
184,464	978,797				
39,369	144,782				
50,078,509	981,233	Total	65,866.32	81,685,850	1,240,176
32,570,574	948,053	Total, Excl. A., T. & S. F. and C., R. I. & P	49,185.25	64,177,915	1,304,820

[fol. 683]

Summary Comparing the Average Haul per Ton of Revenue Freight for Class I Carriers in Southwestern and Western Trunk Li
December 31, 1923 and 1924

	Year 1923		Year 1924	
	Railways in S. W. Territory	Railways in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory
Including A., T. & S. F. and C., R. I. & P. Ry. Lines in Both Southwestern Territory and Western Trunk Line				
Tons of Revenue Freight Carried	203,619,796	409,051,489	216,305,715	385,475,179
Tons of Revenue Freight Carried One Mile (Thousands)	46,447,799	86,947,550	50,078,509	85,111,994
Average Haul per Ton (Miles)	228	217	232	221
Excluding A., T. & S. F. and C., R. I. & P. Ry. Lines from Both Southwestern Territory and Western Trunk Lin				
Tons of Revenue Freight Carried	134,269,881	339,701,394	145,049,127	314,218,591
Tons of Revenue Freight Carried One Mile (Thousands)	26,649,151	69,148,902	29,144,430	64,177,915
Average Haul per Ton (Miles)	198	204	201	204

rage Haul per Ton of Revenue Freight for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Years Ended December 31, 1923 and 1924

	Year 1923		Year 1924		Years 1923 and 1924 Combined	
	Railways in S. W. Territory	Railways in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory	Railways in S. W. Territory	Railways in W. T. L. Territory
cluding A., T. & S. F. and C., R. I. & P. Ry. Lines in Both Southwestern Territory and Western Trunk Line Territory						
.....	203,619,796	409,051,489	216,305,715	385,475,179	419,925,691	794,526,688
One Mile (Thousands).....	46,447,799	86,947,550	50,078,509	85,111,994	96,526,308	174,059,544
.....	228	217	232	221	230	219
luding A., T. & S. F. and C., R. I. & P. Ry. Lines from Both Southwestern Territory and Western Trunk Line Territory						
.....	134,269,881	339,701,394	145,049,127	314,218,591	279,319,008	653,919,985
One Mile (Thousands).....	26,649,151	69,148,902	29,144,430	64,177,915	55,793,581	133,326,817
.....	198	204	201	204	200	204

Average Haul per Ton of Revenue Freight for Class I Carriers in Southwestern and Western Trunk Line Territor

Carriers in Southwestern Territory

Road	Tons of revenue freight carried	Tons of Revenue freight carried one mile (thousands)	Average haul per ton (miles)	Road
(1)	(2)	(3)	(4)	(5)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	39,681,166	12,323,209	311	A. T. & S. F. (Inc. G. C. & S. F
C. R. I. & P. (Inc. C. R. I. & G.)	29,668,929	7,475,439	252	C. R. I. & P. (Inc. C. R. I. & G
Ft. W. & D. C.	2,900,189	469,002	162	C. & A.
Ft. S. & W.	587,624	64,508	110	C. & E. I.
Gulf Coast Lines	3,774,839	602,635	160	C. & N. W.
I. & G. N.	4,170,323	677,806	163	C. B. & Q.
K. C. M. & O. (Inc. K. C. M. & O. of T.)	1,034,086	244,368	236	C. G. W.
K. C. S. (Inc. T. & Ft. S.)	7,046,132	1,684,014	239	C. M. & St. P.
K. O. & G.	1,656,447	165,035	100	C. St. P. M. & O.
La. & Ark.	2,202,186	208,366	95	D. S. S. & A.
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	2,296,089	280,255	122	E. J. & E.
Mid. Val.	2,311,544	181,091	78	G. B. & W.
M. & N. A.	431,279	43,335	100	I. C.
M.-K.-T. (Inc. M.-K.-T. of T. and W. F. & N. W.)	11,231,232	2,789,306	248	L. S. & Ishpeming
				M. & St. L.
Mo. Pac.	32,715,582	7,416,476	227	
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	23,844,147	4,431,912	186	M. St. P. & S. S. M.
St. L. S. W. (Inc. St. L. S. W. of T.)	6,365,897	1,697,769	267	Q. O. & K. C.
S. A. & A. P.	1,608,866	217,756	135	Wabash
S. A. U. & G.	335,562	34,901	104	
Sou. Pac. (Tex. & La.)	17,154,243	3,639,360	212	
T. & P.	8,892,982	1,419,938	160	
T. & B. V.	1,308,427	183,797	140	
V. S. & P.	2,000,530	165,461	83	
Wich. Val.	401,675	32,060	80	
Total	203,619,976	46,447,799	228	
Total Excl. A., T. & S. F. and C., R. I. & P. Lines	134,269,881	26,649,151	198	Total Exel. A. T. & S. F. and C

Freight for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1923.

ritory

Tons of revenue freight carried	Tons of Revenue freight carried one mile (thousands)	Average haul per ton (miles)
(2)	(3)	(4)
681,166	12,323,209	311
668,929	7,475,439	252
900,189	469,002	162
587,624	64,508	110
774,839	602,635	160
170,323	677,806	163
034,086	244,368	236
046,132	1,684,014	239
556,447	165,035	100
202,186	208,366	95
296,089	280,255	122
311,544	181,091	78
431,279	43,335	100
231,232	2,789,306	248
715,582	7,416,476	227
344,147	4,431,912	186
665,897	1,697,769	267
408,866	217,756	135
435,562	34,901	104
454,243	3,639,360	212
492,982	1,419,938	160
408,427	183,797	140
000,530	165,461	83
401,675	32,060	80
419,976	46,447,799	228
669,881	26,649,151	198

Carriers in Western Trunk Line Territory

Road	Tons of revenue freight carried	Tons of revenue freight carried one mile (thousands)	Average haul per ton (miles)
	(6)	(7)	(8)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	39,681,166	12,323,209	311
C. R. I. & P. (Inc. G. R. I. & G.)	29,668,929	7,475,439	252
C. & A	13,507,046	2,436,637	180
C. & E. I	14,697,968	2,304,817	157
C. & N. W	58,207,915	9,248,615	159
C. B. & Q	43,483,603	12,690,384	292
C. G. W	6,722,786	1,969,074	293
C. M. & St. P	51,314,300	11,922,244	232
C. St. P. M. & O	10,511,198	1,612,952	153
D. S. S. & A	3,901,908	305,992	78
E. J. & E	35,291,656	1,959,289	56
G. B. & W	782,445	66,434	85
I. C	55,110,674	15,069,986	273
L. S. & Ishpeming	2,794,387	43,002	15
M. & St. L	7,311,189	1,276,675	175
M. St. P. & S. S. M	16,758,404	3,515,132	210
Q. O. & K. C	566,550	54,457	96
Wabash	18,739,365	4,673,212	249
	409,051,489	88,947,550	217
Total Exel. A. T. & S. F. and C. R. I. & P. Lines	339,701,394	69,148,902	204

Average Haul per Ton of Revenue Freight for Class I Carriers in Southwestern and Western Trunk Line T

Carriers in Southwestern Territory

Road	Tons of revenue freight carried	Tons of revenue freight carried one mile (thousands)	Average haul per ton (miles)
(1)	(2)	(3)	(4)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	40,695,205	13,080,878	321
C. R. I. & P. (Inc. C. R. I. & G.)	30,561,383	7,853,201	257
Ft. W. & D. C	3,402,165	564,420	166
Ft. S. & W	737,977	73,218	99
Gulf Coast Lines	4,111,838	791,898	193
I. & G. N	4,429,176	721,964	163
K. C. M. & O. (Inc. K. C. M. & O. of T.)	1,478,409	346,202	234
K. C. S. (Inc. T. & Ft. S.)	6,958,838	1,542,245	222
K. O. & G	1,436,062	140,315	98
La. & Ark	2,572,140	235,741	92
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	2,721,800	354,421	130
Mid. Val	2,608,905	212,071	81
M. & N. A	457,557	57,751	126
M. K. T. (Inc. M. K. T. of T. and W. F. & N. W.)	11,978,114	3,068,948	256
Mo. Pac	36,713,004	8,773,081	239
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	24,789,301	4,705,560	190
St. L. S. W. (Inc. St. L. S. W. of T.)	5,901,480	1,423,436	241
S. A. & A. P	2,298,710	281,287	122
S. A. U. & G	517,071	59,386	115
Sou. Pac. (Tex. & La.)	18,911,141	3,807,230	201
T. & P	9,394,609	1,616,722	172
T. & B. V	916,595	144,701	158
V. S. & P	2,233,726	184,464	83
Wich. Val	480,509	39,369	82
Total	216,305,715	50,078,509	232
Total Excl. A., T. & S. F. and C., R. I. & P. Lines	145,049,127	29,144,430	201

A. T. & S. F. (Inc. G. C. &			
C. R. I. & P. (Inc. C. R. I			
C. & A			
C. & E. I			
C. & N. W			
C. B. & Q			
C. G. W			
C. M. & St. P			
C. St. P. M. & O			
D. S. S. & A			
E. J. & E			
G. B. & W			
I. C			
L. S. & Ishpeming			
M. & St. L			
M. St. P. & S. S. M			
Q. O. & K. C			
Wabash			
Total			
Total Excl. A., T.			

Freight for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1924

...y			Carriers in Western Trunk Line Territory			
...of ...ue ...ht ...ed	Tons of revenue freight carried one mile (thousands)	Average haul per ton (miles)	Road	Tons of revenue freight carried	Tons of revenue freight carried one mile (thousands)	Average haul per ton (miles)
	(3)	(4)	(5)	(6)	(7)	(8)
...205	13,080,878	321	A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	40,695,205	13,080,878	321
...383	7,853,201	257	C. R. I. & P. (Inc. C. R. I. & G.)	30,561,383	7,853,201	257
...165	564,420	166	C. & A.	12,616,257	2,183,641	173
...977	73,218	99	C. & E. I.	13,387,224	2,211,994	165
...838	791,898	193	C. & N. W.	52,158,316	8,290,313	159
...176	721,964	163	C. B. & Q.	42,778,294	12,287,748	287
...409	346,202	234	C. G. W.	6,587,565	1,944,029	295
...838	1,542,245	222	C. M. & St. P.	47,143,747	11,004,765	233
...062	140,315	98	C. St. P. M. & O.	10,567,741	1,638,715	155
...140	235,741	92	D. S. S. & A.	4,273,860	319,694	75
...800	354,421	130	E. J. & E.	29,558,259	1,504,529	51
...905	212,071	81	G. B. & W.	890,880	83,244	93
...557	57,751	126	I. C.	49,040,926	13,063,940	266
...114	3,068,948	256	L. S. & Ishpeming	2,986,686	70,073	23
			M. & St. L.	6,642,929	1,207,204	182
...004	8,773,081	239				
...301	4,705,560	190	M. St. P. & S. S. M.	15,820,453	3,407,219	215
...480	1,423,436	241	Q. O. & K. C.	475,649	39,833	84
...710	281,287	122	Wabash	19,289,805	4,920,974	255
...071	59,386	115				
...141	3,807,230	201				
...609	1,616,722	172				
...595	144,701	158				
...726	184,464	83				
...509	39,369	82				
...715	50,078,509	232	Total	385,475,179	85,111,994	221
...127	29,144,430	201	Total Excl. A., T. & S. F. and C., R. I. & P. Lines	314,218,591	64,177,915	204

Summary Comparing Freight Operating Statistics for Class I Railways in Southwestern and Western Trunk Line Territories for the Years End

	Year 1923		Year 1924		
	Rys. in S. W. Territory	Rys. in W. T. L. Territory	Rys. in S. W. Territory	Rys. in W. T. L. Territory	
Including A., T. & S. F. Ry. and C., R. I. & P. Ry. in Both Southwestern Territory and West					
Train Miles (Thousands)	97,844	160,821	98,258	149,361	
Freight Car Miles (Thousands):					
Total	3,483,595	6,154,785	3,752,488	5,961,861	
Loaded	2,315,295	4,029,906	2,465,960	3,882,954	
Gross Ton Miles, Excl. Loco. & Tender (Thousands)	130,051,089	233,147,835	140,265,213	224,624,706	
Net Ton Miles, Rev. & Non-Revenue (Thousands)	53,826,720	101,844,722	57,586,602	95,617,362	
Train Hours	8,255,858	13,772,475	7,989,186	12,373,354	
Freight Cars per Train (Inc. Caboose)	36.6	39.3	39.2	40.9	
Gross Tons per Train, Excl. Loco. & Tender	1,329	1,450	1,428	1,504	
Net Tons per Train	550	633	586	640	
Net Tons per Loaded Car Mile	23.2	25.3	23.4	24.6	
Percent of Loaded to Total Car Miles	66.5	65.5	65.7	65.1	
Gross Ton Miles per Train Hour (Excl. Loco. & Tender)	15,753	16,928	17,557	18,154	
Net Ton Miles per Train Hour	6,520	7,395	7,208	7,728	
Excluding A., T. & S. F. Ry. and C., R. I. & P. Ry. from Both Southwestern Territory and W					
Train Miles (Thousands)	58,522	121,499	60,862	111,965	
Freight Car Miles (Thousands):					
Total	1,988,676	4,659,866	2,233,874	4,443,247	
Loaded	1,334,476	3,049,087	1,470,994	2,887,988	
Gross Ton Miles, Excl. Loco. & Tender (Thousands)	74,934,569	178,031,315	83,900,056	168,259,549	
Net Ton Miles, Rev. & Non-Revenue (Thousands)	32,557,349	80,575,351	35,899,175	73,929,935	
Train Hours	5,083,361	10,599,978	5,100,182	9,484,350	
Freight Cars per Train (Inc. Caboose)	35.0	39.4	37.7	40.7	
Gross Tons per Train, Excl. Loco. & Tender	1,280	1,465	1,379	1,503	
Net Tons per Train	556	663	590	660	
Net Tons per Loaded Car Mile	24.4	26.4	24.4	25.6	
Percent of Loaded to Total Car Miles	67.0	65.4	65.8	65.0	
Gross Ton Miles per Train Hour (Excl. Loco. & Tender)	14,741	16,795	16,450	17,741	
Net Ton Miles per Train Hour	6,405	7,601	7,039	7,795	

ays in Southwestern and Western Trunk Line Territories for the Years Ended December 31, 1923, and 1924, and Ten Months Ended October 31, 1925

Year 1923		Year 1924		10 months ended October 31, 1925		1923, 1924, and 10 months ended October 31, 1925, Combined	
n S. W. itory	Rys. in W. T. L. Territory	Rys. in S. W. Territory	Rys. in W. T. L. Territory	Rys. in S. W. Territory	Rys. in W. T. L. Territory	Rys. in S. W. Territory	Rys. in W. T. L. Territory
S. F. Ry. and C., R. I. & P. Ry. in Both Southwestern Territory and Western Trunk Line Territory							
97,844	160,821	98,258	149,361	82,409	122,578	278,511	432,760
83,595	6,154,785	3,752,488	5,961,861	3,337,726	5,152,358	10,573,809	17,269,004
15,295	4,029,906	2,465,960	3,882,954	2,166,502	3,358,447	6,947,757	11,271,307
51,089	233,147,835	140,265,213	224,624,706	123,860,479	193,521,833	394,176,781	651,294,374
26,720	101,844,722	57,586,602	95,617,362	49,774,197	81,360,718	161,187,519	278,822,802
55,858	13,772,475	7,989,186	12,373,354	6,440,702	9,843,405	22,685,746	35,989,234
36.6	39.3	39.2	40.9	41.5	43.0	38.9	40.9
1,329	1,450	1,428	1,504	1,503	1,579	1,415	1,505
550	633	586	640	604	664	579	644
23.2	25.3	23.4	24.6	23.0	24.2	23.2	24.7
66.5	65.5	65.7	65.1	64.9	65.2	65.7	65.3
15,753	16,928	17,557	18,154	19,231	19,660	17,376	18,097
6,520	7,395	7,208	7,728	7,728	8,266	7,105	7,747
S. F. Ry. and C., R. I. & P. Ry. from Both Southwestern Territory and Western Trunk Line Territory							
58,522	121,499	60,862	111,965	51,665	91,834	171,049	325,298
38,676	4,659,866	2,233,874	4,443,247	2,026,783	3,841,415	6,249,333	12,944,528
34,476	3,049,087	1,470,994	2,887,988	1,305,609	2,947,554	4,111,079	8,434,629
34,569	178,031,315	83,900,056	168,259,549	75,323,529	144,984,883	234,158,154	491,275,747
37,349	80,575,351	35,899,175	73,929,935	31,378,838	62,965,359	99,835,362	217,470,645
33,361	10,599,978	5,100,182	9,484,350	4,124,420	7,527,123	14,307,963	27,611,451
35.0	39.4	37.7	40.7	40.2	42.8	37.5	40.8
1,280	1,465	1,379	1,503	1,458	1,579	1,369	1,510
556	663	590	660	607	686	584	669
24.4	26.4	24.4	25.6	24.0	25.2	24.3	25.8
67.0	65.4	65.8	65.0	64.4	65.0	65.8	65.2
14,741	16,795	16,450	17,741	18,263	19,262	16,366	17,792
6,405	7,601	7,039	7,795	7,608	8,365	6,978	7,876

Summary of Freight Operating Statistics, Class I Railways in Southwestern Territory, for

Road	Train miles (thousands)	Freight-car miles (thousands)		Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours
		Total	Loaded			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. T. & S. F. Ry.	21,211	907,163	590,342	33,656,858	12,277,946	1,634,72
G. C. & S. F. Ry.	3,062	119,466	78,718	4,518,847	1,981,093	244,29
C. R. I. & P. Ry. (Inc. C. R. I. & G.)	18,111	587,756	390,477	21,459,662	8,991,425	1,537,77
Ft. W. & D. C. Ry.	863	32,475	21,474	1,218,739	500,088	70,47
Ft. S. & W. Ry.	178	4,490	3,098	158,359	67,650	19,61
Gulf Coast Lines	948	43,614	26,816	1,612,721	665,323	89,60
I. & G. N. R. R.	1,744	52,669	36,374	1,949,119	809,406	144,17
K. C. M. & O. Ry.	392	9,237	6,501	347,868	154,490	33,36
K. C. M. & O. Ry. of Tex.	420	7,971	5,702	307,126	124,157	32,10
K. C. S. Ry. (Inc. Tex. & Ft. S.)	2,240	89,080	64,184	3,618,874	1,732,786	199,67
K. O. & G. Ry.	398	9,122	6,055	365,255	176,700	38,89
La. & Ark. Ry.	452	13,498	8,396	501,094	219,235	39,30
La. Ry. & Nav. Co.	473	14,218	9,341	544,197	244,335	52,17
La. Ry. & Nav. Co. of Tex.	218	4,039	2,711	156,515	71,750	24,09
Mid. Val. R. R.	465	13,495	7,523	483,143	201,970	51,41
Mo. & Nor. Ark. Ry.	232	2,936	2,258	113,028	52,822	25,24
M. K. T. R. R. (Inc. W. F. & N. W.)	3,291	154,154	97,047	5,408,167	2,156,768	274,17
M. K. T. R. R. Co. of Tex.	2,264	77,790	49,742	2,798,483	1,114,966	194,26
Mo. Pac. R. R.	13,696	493,223	339,953	19,064,645	8,667,564	1,232,68
St. L. S. F. Ry.	10,548	302,023	201,156	11,354,255	4,960,188	887,64
St. L. S. F. & T. Ry.	182	5,566	3,541	196,917	78,369	17,56
Ft. W. & R. G. Ry.	223	4,816	2,855	152,096	47,254	17,83
St. L. S. W. Ry.	1,986	88,655	64,361	3,305,332	1,456,243	183,06
St. L. S. W. Ry. of Tex.	1,312	32,728	20,622	1,154,835	444,655	113,78
S. A. & A. P. Ry.	953	19,988	13,108	672,884	256,177	78,31
S. A. U. & G. R. R.	243	3,296	2,218	111,010	38,965	16,66
Sou. Pac. Lines (Tex. & La.)	7,550	250,110	166,974	9,661,457	4,223,128	619,78
T. & P. Ry.	3,216	114,497	77,530	4,202,831	1,702,393	294,96
T. & B. V. Ry.	429	11,665	7,000	447,848	195,402	37,25
V. S. & P. Ry.	372	10,775	7,314	404,701	175,995	33,36
Wichita Valley Ry.	172	3,080	1,904	104,223	37,477	17,85
Total	97,844	3,483,595	2,315,295	130,051,089	53,826,720	8,255,8

g Statistics, Class I Railways in Southwestern Territory, for the Year Ended December 31, 1923

-car miles usands) Loaded	Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours	Freight cars per train (inc. caboose)	Gross tons per train (excl. loco. & tender)	Net tons per train	Net tons per loaded-car mile	Per cent of loaded to total car-miles	Gross ton-miles per train-hour (excl. loco. & tender)	Net ton-miles per train-hour
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
590,342	33,656,858	12,277,946	1,634,722	43.8	1,587	579	20.8	65.1	20,589	7,511
78,718	4,518,847	1,981,093	244,291	40.0	1,476	647	25.	65.9	18,498	8,110
390,477	21,459,662	8,991,425	1,537,775	33.4	1,185	496	23.0	66.4	13,955	5,847
21,474	1,218,739	500,088	70,475	38.6	1,412	580	23.3	66.1	17,293	7,096
3,098	158,359	67,650	19,615	26.3	891	381	21.8	69.0	8,073	3,449
26,816	1,612,721	665,323	89,606	46.9	1,701	702	24.8	61.5	17,998	7,425
36,374	1,949,119	809,406	144,176	31.2	1,118	464	22.3	69.1	13,519	5,614
6,501	347,868	154,490	33,369	24.5	888	394	23.8	70.4	10,425	4,630
5,702	307,126	124,157	32,108	19.5	731	295	21.8	71.5	9,565	3,867
64,184	3,618,874	1,732,786	199,678	40.8	1,616	774	27.0	72.1	18,124	8,678
6,055	365,255	176,700	38,893	23.9	917	444	29.2	66.4	9,391	4,543
8,396	501,094	219,235	39,300	30.9	1,109	485	26.1	62.2	12,750	5,578
9,341	544,197	244,335	52,179	31.1	1,151	517	26.2	65.7	10,429	4,683
2,711	156,515	71,750	24,091	19.5	719	330	26.5	67.1	6,497	2,978
7,523	483,143	201,970	51,413	30.0	1,040	435	26.8	55.7	9,397	3,928
2,258	113,028	52,822	25,249	13.6	488	228	23.4	76.9	4,477	2,092
97,047	5,408,167	2,156,768	274,176	47.8	1,643	655	22.2	63.0	19,725	7,866
49,742	2,798,483	1,114,966	194,206	35.3	1,236	492	22.4	63.9	14,410	5,741
339,953	19,064,645	8,667,564	1,232,688	37.0	1,392	633	25.5	68.9	15,466	7,031
201,156	11,354,255	4,960,188	887,643	29.6	1,076	470	24.7	66.6	12,791	5,588
3,541	196,917	78,369	17,500	31.6	1,082	430	22.1	63.6	11,252	4,478
2,855	152,096	47,254	17,839	22.4	683	212	16.6	59.3	8,526	2,649
64,361	3,305,332	1,456,243	183,000	45.6	1,664	733	22.6	72.6	18,062	7,958
20,622	1,154,835	444,655	113,782	25.9	880	339	21.6	63.0	10,150	3,908
13,108	672,884	256,177	78,315	22.0	706	269	19.9	65.6	8,592	3,271
2,218	111,010	38,965	16,651	14.0	457	161	17.6	67.3	6,667	2,340
166,974	9,661,457	4,223,128	619,727	34.1	1,280	559	25.3	66.8	15,590	6,814
77,530	4,202,831	1,702,393	294,987	36.6	1,307	529	22.0	67.7	14,248	5,771
7,000	447,848	195,402	37,221	28.2	1,045	456	27.9	60.0	12,032	5,250
7,314	404,701	175,995	33,333	29.9	1,087	473	24.1	67.9	12,141	5,280
1,904	104,223	37,477	17,850	18.8	607	218	19.7	61.8	5,839	2,100
2,315,295	130,051,089	53,826,720	8,255,858	36.6	1,329	550	23.2	66.5	15,753	6,520

[fol. 688]

Summary of Freight Operating Statistics, Class I Railways in Western Trunk Line Territor

Road	Train miles (thousands)	Freight-car miles (thousands)		Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours
		Total	Loaded			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. T. & S. F. Ry.	21,211	907,163	590,342	33,656,858	12,277,946	1,634,72
C. R. I. & P. Ry. (Inc. C. R. I. & G.)	18,111	587,756	390,477	21,459,662	8,991,425	1,537,77
C. & A. Ry.	4,113	150,453	96,488	5,787,359	2,580,805	370,06
C. & E. I. R. R.	2,976	118,950	77,035	4,609,543	2,283,181	275,31
C. & N. W. Ry.	20,290	702,952	451,737	26,048,210	11,200,636	1,731,31
C. B. & Q. R. R.	20,765	878,363	557,265	33,299,989	15,404,378	1,731,11
C. G. W. R. R.	3,351	139,081	95,697	5,002,389	2,070,392	269,72
C. M. & St. P. Ry.	21,650	839,587	544,615	30,982,922	13,962,575	1,923,52
C. St. P. M. & O. Ry.	4,052	113,883	77,373	4,192,379	1,767,750	345,51
D. S. S. & A. Ry.	838	17,578	12,275	652,311	309,980	84,16
E. J. & E. Ry.	1,668	75,692	50,048	3,811,202	2,098,160	229,08
G. B. & W. R. R.	268	4,136	3,116	147,808	68,786	27,66
I. C. R. R. (Inc. Y. & M. V.)	24,020	1,011,682	649,220	40,386,752	18,359,172	2,134,83
Lake Sup. & Ishpeming R. R.	Data Not Available					
Minn. & St. L. R. R.	2,907	74,642	51,955	3,011,315	1,464,765	254,58
M. St. P. & S. St. M. Ry.	6,718	218,067	153,319	8,111,860	3,889,251	596,82
Q. O. & K. C. R. R.	195	3,715	2,505	138,553	62,009	22,25
Wabash Ry.	7,688	311,085	226,439	11,848,723	5,053,511	604,01
Total	160,821	6,154,785	4,029,906	233,147,835	101,844,722	13,772,47
Total, Excl. A. T. & S. F. and C. R. I. & P.	121,499	4,659,866	3,049,087	178,031,315	80,575,351	10,599,97

tatistics, Class I Railways in Western Trunk Line Territory for the Year Ended December 31, 1923

r miles nds) Loaded	Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours	Freight cars per train (inc. caboose)	Gross tons per train (excl. loco. & tender)	Net tons per train	Net tons per loaded-car mile	Per cent of loaded to total car-miles	Gross ton-miles per train-hour (excl. loco. & tender)	Net ton-miles per train-hour
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
590,342	33,656,858	12,277,946	1,634,722	43.8	1,587	579	20.8	65.1	20,589	7,511
390,477	21,459,662	8,991,425	1,537,775	33.4	1,185	496	23.0	66.4	13,955	5,847
96,488	5,787,359	2,580,805	370,061	37.6	1,407	627	26.7	64.1	15,639	6,974
77,035	4,609,543	2,283,181	275,311	40.9	1,549	767	29.6	64.8	16,743	8,293
451,737	26,048,210	11,200,636	1,731,311	35.6	1,284	552	24.8	64.3	15,045	6,469
557,265	33,299,989	15,404,378	1,731,114	43.2	1,604	742	27.6	63.4	19,236	8,899
95,697	5,002,389	2,070,392	269,728	42.5	1,493	618	21.6	68.8	18,546	7,676
544,615	30,982,922	13,962,575	1,923,524	39.8	1,431	645	25.6	64.9	16,107	7,259
77,373	4,192,379	1,767,750	345,512	29.0	1,035	436	22.8	67.9	12,134	5,116
12,275	652,311	309,980	84,162	22.0	778	370	25.3	69.8	7,751	3,683
50,048	3,811,202	2,098,160	229,084	46.4	2,285	1,258	41.9	66.1	16,637	9,159
3,116	147,808	68,786	27,666	16.0	552	257	22.1	75.3	5,343	2,486
649,220	40,386,752	18,359,172	2,134,830	43.1	1,681	764	28.3	64.2	18,918	8,600
51,955	3,011,315	1,464,765	254,584	26.6	1,036	504	28.2	69.6	11,828	5,754
183,319	8,111,860	3,889,251	596,823	33.4	1,208	579	25.4	70.3	13,592	6,517
2,505	138,553	62,009	22,256	20.1	711	318	24.8	67.4	6,225	2,786
226,439	11,848,723	5,053,511	604,012	41.5	1,541	657	22.3	72.8	19,617	8,367
,029,906	233,147,835	101,844,722	13,772,475	39.3	1,450	633	25.3	65.5	16,928	7,395
,049,087	178,031,315	80,575,351	10,599,978	39.4	1,465	663	26.4	65.4	16,795	7,601

[fol. 689]

Summary of Freight Operating Statistics, Class I, Railways in Southwestern Territory for

Road	Train miles (thousands)	Freight-car miles (thousands)		Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours
		Total	Loaded			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. T. & S. F. Ry.	19,732	904,811	586,261	33,964,783	12,430,463	1,472,4
G. C. & S. F. Ry.	3,341	147,890	95,793	5,662,024	2,484,985	258,9
C. R. I. & P. Ry. (Inc. C. R. I. & G.)	17,664	613,803	408,705	22,400,374	9,256,964	1,416,5
Ft. W. & D. C. Ry.	966	39,377	26,101	1,449,860	592,467	78,7
Ft. S. & W. Ry.	189	5,295	3,518	185,396	77,171	22,9
Gulf Coast Lines	1,201	60,910	37,682	2,298,004	886,953	116,7
I. & G. N. R. R.	1,823	61,106	40,953	2,199,682	874,358	146,6
K. C. M. & O. Ry.	542	14,483	10,031	550,373	240,780	45,6
K. C. M. & O. Ry. of Texas	581	11,255	7,749	430,406	174,281	44,7
K. C. S. Ry. (Inc. Tex. & Ft. S.)	1,977	86,013	60,987	3,478,519	1,616,474	162,3
K. O. & G. Ry.	355	8,607	5,853	331,001	153,087	33,4
La. & Ark. Ry.	493	14,842	9,206	563,013	243,878	41,0
La. Ry. & Nav. Co.	558	17,855	11,235	681,433	314,359	61,0
La. Ry. & Nav. Co. of Tex.	271	5,248	3,564	198,897	89,453	29,3
Mid. Val. R. R.	499	15,700	9,023	511,171	240,297	53,4
Mo. & Nor. Ark. Ry.	340	3,674	2,797	149,081	67,935	32,
M. K. T. R. R. (Inc. W. F. & N. W.)	2,947	156,223	98,235	5,539,367	2,209,506	237,
M. K. T. R. R. Co. of Tex.	2,376	96,519	60,351	3,439,649	1,354,764	203,
Mo. Pac. R. R.	15,440	595,598	396,886	22,916,607	10,293,048	1,371,
St. L.-S. F. Ry.	10,163	326,041	212,525	12,109,420	5,146,320	798,
St. L. S. F. & T. Ry.	242	7,319	4,337	269,873	99,728	16,
Ft. W. & R. G. Ry.	210	5,178	2,945	162,563	49,998	16,
St. L. S. W. Ry.	1,660	75,028	55,264	2,795,785	1,210,667	131,
St. L. S. W. Ry. of Tex.	1,136	29,163	19,228	1,041,459	408,727	94,
S. A. & A. P. Ry.	1,069	24,332	15,353	833,682	318,181	91,
S. A. U. & G. R. R.	304	5,059	3,223	174,016	62,384	23,
Sou. Pac. Lines (Tex. & La.)	7,619	262,307	173,729	10,105,659	4,362,396	601,
T. & P. Ry.	3,593	131,468	86,947	4,827,204	1,922,434	298,
T. & B. V. Ry.	388	11,178	6,920	405,935	161,831	32,
V. S. & P. Ry.	407	12,383	8,066	463,475	197,467	35,
Wichita Valley Ry.	190	3,823	2,493	126,502	45,246	19,
Total	98,258	3,752,488	2,465,960	140,265,213	57,586,602	7,989,
Total Excl. A. T. & S. F. and C. R. I. & P.	60,862	2,233,874	1,470,994	83,900,056	35,899,175	5,100,

ng Statistics, Class I, Railways in Southwestern Territory for the Year Ended December 31, 1924

t-car miles usands) Loaded	Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours	Freight cars per train (inc. caboose)	Gross tons per train (excl. loco. & tender)	Net tons per train	Net tons per loaded-car mile	Per cent of loaded to total car-miles	Gross ton-miles per train-hour (excl. loco. & tender)	Net ton-miles per train-hour
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
586,261	33,964,783	12,430,463	1,472,463	46.8	1,721	630	21.2	64.8	23,067	8,442
95,793	5,662,024	2,484,985	258,955	45.2	1,695	744	25.9	64.8	21,865	9,596
408,705	22,400,374	9,256,964	1,416,541	35.7	1,268	524	22.6	66.6	15,813	6,535
26,101	1,449,860	592,467	78,741	41.8	1,501	613	22.7	66.3	18,413	7,524
3,518	185,396	77,171	22,901	29.1	983	409	21.9	66.4	8,096	3,370
37,682	2,298,004	886,953	116,771	51.7	1,914	739	23.5	61.9	19,680	7,596
40,953	2,199,682	874,358	146,608	34.5	1,207	480	21.4	67.0	15,004	5,964
10,031	550,373	240,780	45,693	27.7	1,015	444	24.0	69.3	12,045	5,270
7,749	430,406	174,281	44,721	20.1	741	300	22.5	68.8	9,624	3,897
60,987	3,478,519	1,616,474	162,302	44.5	1,759	818	26.5	70.9	21,432	9,960
5,853	331,001	153,087	33,489	25.2	931	431	26.2	68.0	9,884	4,571
9,206	563,013	243,878	41,094	31.2	1,143	495	26.5	62.0	13,701	5,935
11,235	681,433	314,359	61,058	33.0	1,221	563	28.0	62.9	11,160	5,149
3,564	198,897	89,453	29,379	20.3	733	330	25.1	67.9	6,770	3,045
9,023	511,171	240,297	53,485	32.5	1,024	482	26.6	57.5	9,557	4,493
2,797	149,081	67,935	32,106	11.7	439	200	24.3	76.1	4,643	2,116
98,235	5,539,367	2,209,506	237,351	54.0	1,880	750	22.5	62.9	23,338	9,309
60,351	3,439,649	1,354,764	203,279	41.6	1,447	570	22.4	62.5	16,921	6,665
396,886	22,916,607	10,293,048	1,371,104	39.6	1,484	667	25.9	66.6	16,714	7,507
212,525	12,109,420	5,146,320	798,630	33.0	1,191	506	24.2	65.2	15,163	6,444
4,337	269,873	99,728	16,603	33.7	1,204	445	23.0	59.3	16,254	6,007
2,945	162,563	49,998	16,257	25.4	773	238	17.0	56.9	10,000	3,075
55,264	2,795,785	1,210,667	131,981	46.1	1,684	729	21.9	73.7	21,183	9,173
19,228	1,041,459	408,727	94,169	26.6	917	360	21.3	65.9	11,059	4,340
15,353	833,682	318,181	91,984	23.8	780	298	20.7	63.1	9,063	3,459
3,223	174,016	62,384	23,669	17.4	572	205	19.4	63.7	7,352	2,636
173,729	10,105,659	4,362,396	601,643	35.4	1,326	573	25.1	66.2	16,797	7,251
86,947	4,827,204	1,922,434	298,281	37.6	1,344	535	22.1	66.1	16,183	6,445
6,920	405,935	161,831	32,837	29.8	1,045	417	23.4	61.9	12,362	4,928
8,066	463,475	197,467	35,550	31.4	1,138	485	24.5	65.1	13,037	5,555
2,493	126,502	45,246	19,541	21.0	665	238	18.1	65.2	6,474	2,315
2,465,960	140,265,213	57,586,602	7,989,186	39.2	1,428	586	23.4	65.7	17,557	7,208
1,470,994	83,900,056	35,899,175	5,100,182	37.7	1,379	590	24.4	65.8	16,450	7,039

Summary of Freight Operating Statistics—Class I Railways in Western Trunk Line Territory f

Road	Train miles (thousands)	Freight-car miles (thousands)		Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours
		Total	Loaded			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. T. & S. F. Ry.	19,732	904,811	568,261	33,964,783	12,430,463	1,472,4
C. R. I. & P. Ry. (Inc. C. R. I. & G.)	17,664	613,803	408,705	22,400,374	9,256,964	1,416,5
C. & A. Ry.	3,924	144,579	90,719	5,493,079	2,321,140	346,9
C. & E. I. R. R.	2,909	118,187	76,004	4,567,931	2,225,257	249,4
C. & N. W. Ry.	18,655	665,716	421,722	24,152,746	9,915,520	1,558,0
C. B. & Q. R. R.	18,980	827,235	520,567	31,135,599	14,166,647	1,538,4
C. G. W. R. R.	3,260	143,476	94,757	5,176,979	2,078,361	255,4
C. M. & St. P. Ry.	19,013	777,229	511,397	28,959,740	12,929,886	1,655,6
C. St. P. M. & O. Ry.	4,013	110,424	77,126	4,196,726	1,812,867	331,1
D. S. S. & A. Ry.	882	19,580	12,753	702,713	326,136	83,1
E. J. & E. Ry.	1,336	61,409	40,190	3,003,608	1,603,531	193,1
G. B. & W. R. R.	322	5,328	3,922	197,439	88,208	31,8
I. C. R. R. (Inc. Y. & M. V.)	21,205	925,920	593,421	36,504,899	15,833,037	1,796,6
Lake Sup. & Ishpeming R. R.	Data not available.					
Minn. & St. L. R. R.	2,805	75,800	50,288	2,966,082	1,382,464	242,0
M. St. P. & S. St. M. Ry.	6,646	227,384	156,569	8,319,294	3,844,841	587,0
Q. O. & K. C. R. R.	172	2,962	1,942	106,503	44,231	18,1
Wabash Ry.	7,843	338,018	236,611	12,776,211	5,357,809	597,4
Total	149,361	5,961,861	3,882,954	224,624,706	95,617,362	12,373,3
Total, Excl. A. T. & S. F. and C. R. I. & P.	111,965	4,443,247	2,887,988	168,259,549	73,929,935	9,484,3

istics—Class I Railways in Western Trunk Line Territory for the Year Ended December 31, 1924

r miles nds) Loaded	Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours	Freight cars per train (inc. caboose)	Gross tons per train (excl. loco. & tender)	Net tons per train	Net tons per loaded-car mile	Per cent of loaded to total car-miles	Gross ton-miles per train-hour (excl. loco. & tender)	Net ton-miles per train-hour
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
568,261	33,964,783	12,430,463	1,472,463	46.8	1,721	630	21.2	64.8	23,067	8,442
408,705	22,400,374	9,256,964	1,416,541	35.7	1,268	524	22.6	66.6	15,813	6,535
90,719	5,493,079	2,321,140	346,975	37.8	1,400	592	25.6	62.7	15,831	6,690
76,004	4,567,931	2,225,257	249,428	41.6	1,570	765	29.3	64.3	18,314	8,921
421,722	24,152,746	9,915,520	1,558,009	36.7	1,295	532	23.5	63.3	15,502	6,364
520,567	31,135,599	14,166,647	1,538,408	44.5	1,640	746	27.2	62.9	20,239	9,209
94,757	5,176,979	2,078,361	255,465	45.1	1,588	638	21.9	66.0	20,265	8,136
511,397	28,959,740	12,929,886	1,655,611	41.8	1,523	680	25.3	65.8	17,492	7,810
77,126	4,196,726	1,812,867	331,106	28.5	1,046	452	23.5	69.8	12,675	5,475
12,753	702,713	326,136	83,108	23.2	797	370	25.6	65.1	8,455	3,924
40,190	3,003,608	1,603,531	193,105	47.0	2,248	1,200	39.9	65.4	15,554	8,304
3,922	197,439	88,208	31,840	17.2	613	274	22.5	73.6	6,201	2,770
593,421	36,504,899	15,833,037	1,796,617	44.7	1,722	747	26.7	64.1	20,319	8,813
50,288	2,966,082	1,382,464	242,046	28.0	1,058	493	27.5	66.3	12,254	5,712
156,569	8,319,294	3,844,841	587,024	35.1	1,252	579	24.6	68.9	14,172	6,550
1,942	106,503	44,231	18,157	18.2	619	257	22.8	65.6	5,866	2,436
236,611	12,776,211	5,357,809	597,451	44.1	1,629	683	22.6	70.0	21,385	8,968
3,882,954	224,624,706	95,617,362	12,373,354	40.9	1,504	640	24.6	65.1	18,154	7,728
2,887,988	168,259,549	73,929,935	9,484,350	40.7	1,503	660	25.6	65.0	17,741	7,795

Summary of Freight Operating Statistics, Class I Carriers in Southwestern Territory, for t

Road	Train miles (thousands)	Freight-car miles (thousands)		Gross ton-miles—excl. loco. & tender (thousands)	Net ton-miles—rev. & non-rev. (thousands)	Trai hou
		Total	Loaded			
(1)	(2)	(3)	(4)	(5)	(6)	(7
A. T. & S. F.	16,231	784,008	511,710	29,477,122	10,727,855	1,191
G. C. & S. F. Ry.	2,778	128,012	81,250	4,920,827	2,119,564	205
C. R. I. & P. Ry. (Inc. C. R. I. & G.)	14,513	526,935	349,183	19,059,828	7,667,504	1,124
Ft. W. & D. C. Ry.	812	33,422	21,827	1,217,651	475,678	63
Ft. S. & W. Ry.	153	4,541	2,958	157,000	62,001	15
Gulf Coast Lines	1,265	58,901	34,950	2,221,832	831,163	109
I. & G. N. R. R.	1,552	57,510	38,352	2,047,976	792,978	113
K. C. M. & O. Ry.	369	10,181	6,717	381,870	159,761	31
K. C. M. & O. Ry. of T.	502	11,207	7,063	418,426	167,244	39
K. C. S. Ry. (Inc. T. & Ft. S.)	1,607	77,142	53,724	3,091,038	1,401,601	128
K. O. & G. Ry.	358	9,615	6,281	370,787	171,709	30
La. & Ark. Ry.	399	12,422	7,802	467,237	198,554	32
La. Ry. & Nav. Co.	379	13,007	8,227	494,148	224,143	35
La. Ry. & Nav. Co. of Tex.	229	4,347	2,998	167,746	76,181	24
Mid. Val. R. R.	402	13,828	7,738	467,241	215,662	42
Mo. & No. Ark. Ry.	277	3,362	2,456	129,149	57,396	25
M. K. T. R. R. (Inc. W. F. & N. W.)	2,463	140,204	85,948	4,945,548	1,911,682	191
M. K. T. R. R. of Tex.	1,907	83,392	50,642	2,962,380	1,158,616	154
Mo. Pac. R. R.	13,601	564,224	369,710	21,457,056	9,378,011	1,147
St. L.-S. F. Ry.	8,762	306,540	194,173	11,205,922	4,609,117	672
St. L. S. F. & T. Ry.	188	6,761	3,719	221,649	76,401	13
Ft. W. & R. G. Ry.	165	4,125	2,323	128,785	38,877	12
St. L. S. W. Ry.	1,394	66,808	48,042	2,466,548	1,041,215	103
St. L. S. W. Ry. of Tex.	894	25,139	16,233	879,334	333,858	68
S. A. & A. P. Ry.	Included with Southern Pacific Lines.					
S. A. U. & G. R. R.	246	4,127	2,664	143,472	47,427	17
Sou. Pac. Lines (Tex. & La.)	6,944	241,091	156,575	8,999,018	3,755,948	517
T. & P. Ry.	3,100	121,072	77,280	4,415,442	1,688,761	249
T. & B. V. Ry.	312	9,231	5,736	333,190	134,714	27
V. S. & P. Ry.	463	13,502	8,261	507,302	211,591	37
Wich. Val. Ry.	144	3,070	1,960	104,955	38,985	14
Total	82,409	3,337,726	2,166,502	123,860,479	49,774,197	6,44
Total Excl. A. T. & S. F. and C. R. I. & P.)	51,665	2,026,783	1,305,609	75,323,529	31,378,838	4,12

g Statistics, Class I Carriers in Southwestern Territory, for the Ten Months Ended October 31, 1925

-car miles usands) Loaded	Gross ton-miles—excl. loco. & tender (thousands)	Net ton-miles—rev. & non-rev. (thousands)	Train hours	Freight cars per train (inc. caboose)	Gross tons per train (excl. loco. & tender)	Net tons per train	Net tons per loaded car-mile	Per cent of loaded to total car-miles	Gross ton-miles per train-hour (excl. loco. & tender)	Net ton-miles per train-hour
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
511,710	29,477,122	10,727,855	1,191,723	49.3	1,816	661	21.0	65.3	24,735	9,002
81,250	4,920,827	2,119,564	205,285	47.0	1,772	763	26.1	63.5	23,971	10,325
349,183	19,059,828	7,667,504	1,124,559	37.3	1,313	528	22.0	66.3	16,949	6,818
21,827	1,217,651	475,678	63,884	42.2	1,500	586	21.8	65.3	19,060	7,446
2,958	157,000	62,001	15,814	30.8	1,029	406	21.0	65.1	9,928	3,921
34,950	2,221,832	831,163	109,238	47.5	1,756	657	23.8	59.3	20,335	7,609
38,352	2,047,976	792,978	113,383	38.0	1,319	511	20.7	66.7	18,062	6,994
6,717	381,870	159,761	31,401	28.6	1,034	433	23.8	66.0	12,161	5,088
7,063	418,426	167,244	39,082	23.2	833	333	23.7	63.0	10,706	4,279
53,724	3,091,038	1,401,601	128,751	49.0	1,924	872	26.1	69.6	24,008	10,886
6,281	370,787	171,709	30,003	27.8	1,035	479	27.3	65.3	12,358	5,723
7,802	467,237	198,554	32,904	32.1	1,171	497	25.4	62.8	14,200	6,034
8,227	494,148	224,143	35,873	35.4	1,305	592	27.2	63.2	13,775	6,248
2,998	167,746	76,181	24,412	20.0	733	333	25.4	69.0	6,871	3,121
7,738	467,241	215,662	42,147	35.4	1,163	537	27.9	56.0	11,086	5,117
2,456	129,149	57,396	25,291	13.1	466	207	23.4	73.1	5,107	2,269
85,948	4,945,548	1,911,682	191,280	57.9	2,008	776	22.2	61.3	25,855	9,994
50,642	2,962,380	1,158,616	154,023	44.7	1,554	608	22.9	60.7	19,233	7,522
369,710	21,457,056	9,378,011	1,147,354	42.5	1,578	689	25.4	65.5	18,701	8,174
194,173	11,205,922	4,609,117	672,236	36.0	1,279	526	23.7	63.3	16,670	6,856
3,719	221,649	76,401	13,625	37.0	1,178	406	20.5	55.0	16,268	5,607
2,323	128,785	38,877	12,241	25.7	780	236	16.7	56.3	10,521	3,176
48,042	2,466,548	1,041,215	103,081	48.9	1,770	747	21.7	71.9	23,928	10,101
16,233	879,334	333,858	68,507	29.1	983	373	20.6	64.6	12,836	4,873
cific Lines.										
2,664	143,472	47,427	17,868	17.7	584	193	17.8	64.6	8,030	2,654
156,575	8,999,018	3,755,948	517,693	35.7	1,296	541	24.0	64.9	17,383	7,255
77,280	4,415,442	1,688,761	249,454	40.0	1,424	545	21.9	63.8	17,700	6,770
5,736	333,190	134,714	27,213	30.6	1,070	432	23.5	62.1	12,244	4,950
8,261	507,302	211,591	37,809	30.1	1,095	457	25.6	61.2	13,418	5,596
1,960	104,955	38,985	14,568	22.2	728	270	19.9	63.8	7,204	2,676
2,166,502	123,860,479	49,774,197	6,440,702	41.5	1,503	604	23.0	64.9	19,231	7,728
1,305,609	75,323,529	31,378,838	4,124,420	40.2	1,458	607	24.0	64.4	18,263	7,608

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Summary of Freight Operating Statistics, Class I Carriers in Western Trunk Line Territ

Road	Train miles (thousands)	Freight-car miles (thousands)		Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours
		Total	Loaded			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. T. & S. F. Ry.	16,231	784,008	511,710	29,477,122	10,727,855	1,191,
C. R. I. & P. Ry. (Inc. C. R. I. & G.)	14,513	526,935	349,183	19,059,828	7,667,504	1,124,
C. & A. Ry.	2,988	121,068	75,152	4,552,992	1,853,500	258,
C. & E. I. R. R.	2,375	103,547	66,874	3,956,946	1,875,692	184,
C. & N. W. Ry.	14,535	552,088	350,758	20,049,745	8,207,929	1,184,
C. B. & Q. R. R.	15,125	690,488	437,651	25,736,579	11,644,977	1,187,
C. G. W. R. R.	2,627	121,052	80,460	4,349,974	1,736,694	203
C. M. & St. P. Ry.	15,883	699,209	457,431	25,931,134	11,342,664	1,333
C. St. P. M. & O. Ry.	3,185	91,921	63,404	3,393,065	1,420,516	259
D. S. S. & A. Ry.	671	15,840	10,770	583,268	280,084	61
E. J. & E. Ry.	1,271	59,285	38,502	2,903,540	1,539,642	176
G. B. & W. R. R.	291	5,274	3,827	180,762	76,784	26
I. C. R. R. (Inc. Y. M. V.)	18,015	801,976	514,167	31,782,961	13,651,181	1,450
Lake Sup. & Ishpeming R. R.	135	3,369	1,865	128,899	78,355	13
Minn. & St. L. R. R.	2,266	63,410	43,100	2,469,200	1,139,038	188
M. St. P. & S. S. M. Ry.	5,505	197,998	136,786	7,172,126	3,264,195	479
Q. O. & K. C. R. R.	144	2,484	1,642	95,234	42,740	15
Wabash Ry.	6,818	312,406	215,165	11,698,458	4,811,368	503
Total	122,578	5,152,358	3,358,447	193,521,833	81,360,718	9,843
Total, Excl. A. T. & S. F. and C. R. I. & P.	91,834	3,841,415	2,497,554	144,984,883	62,965,359	7,527

ing Statistics, Class I Carriers in Western Trunk Line Territory for the Ten Months Ended, October 31, 1925

ar miles ands)	Gross ton-miles excl. loco. & tender (thousands)	Net ton-miles rev. & non-rev. (thousands)	Train hours	Freight cars per train (inc. caboose)	Gross tons per train (excl. loco. & tender)	Net tons per train	Net tons per loaded-car mile	Per cent of loaded to total car-miles	Gross ton-miles per train-hour (excl. loco. & tender)	Net ton-miles per train-hour
Loaded										
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
511,710	29,477,122	10,727,855	1,191,723	49.3	1,816	661	21.0	65.3	24,735	9,002
349,183	19,059,828	7,667,504	1,124,559	37.3	1,313	528	22.0	66.3	16,949	6,818
75,152	4,552,992	1,853,500	258,891	41.5	1,524	620	24.7	62.1	17,587	7,159
66,874	3,956,946	1,875,692	184,016	44.6	1,666	790	28.0	64.6	21,503	10,193
350,758	20,049,745	8,207,929	1,184,700	38.9	1,379	565	23.4	63.5	16,924	6,928
437,651	25,736,579	11,644,977	1,187,188	46.6	1,702	770	26.6	63.4	21,679	9,809
80,460	4,349,974	1,736,694	203,636	47.1	1,656	661	21.6	66.5	21,362	8,528
457,431	25,931,134	11,342,664	1,333,959	45.0	1,633	714	24.8	65.4	19,439	8,503
63,404	3,393,065	1,420,516	259,005	29.8	1,065	446	22.4	69.0	13,100	5,485
10,770	583,268	280,084	61,218	24.6	869	417	26.0	68.0	9,528	4,575
38,502	2,903,540	1,539,642	176,990	47.6	2,284	1,211	40.0	64.9	16,405	8,699
3,827	180,762	76,784	26,801	19.0	622	264	20.1	72.5	6,745	2,865
514,167	31,782,961	13,651,181	1,450,464	45.5	1,764	758	26.6	64.1	21,912	9,412
1,865	128,899	78,355	13,906	23.0	866	526	42.0	55.4	9,269	5,635
43,100	2,469,200	1,139,038	188,586	28.9	1,090	503	26.4	68.0	13,093	6,040
136,786	7,172,126	3,264,195	479,006	36.9	1,303	593	23.9	69.1	14,973	6,815
1,642	95,234	42,740	15,316	18.3	662	297	26.0	66.1	6,218	2,791
215,165	11,698,458	4,811,368	503,441	46.8	1,716	706	22.4	68.9	23,237	9,557
3,358,447	193,521,833	81,360,718	9,843,405	43.0	1,579	664	24.2	65.2	19,660	8,266
2,497,554	144,984,883	62,965,359	7,527,123	42.8	1,579	686	25.2	65.0	19,262	8,365

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Summary Comparing the Tractive Effort of Freight Engines for Class I Carriers in Southwestern and Western Trunk Line Territories for the Years Ended December 31, 1923 and 1924

	Year 1923		Year 1924		Average of years 1923 & 1924 combined	
	Railways in S. W. territory	Railways in W. T. L. territory	Railways in S. W. territory	Railways in W. T. L. territory	Railways in S. W. territory	Railways in W. T. L. territory
Including A., T. & S. F. Ry. and C., R. I. & P. Ry. in Both Southwestern Territory and Western Trunk Line Territory						
Number of Freight Engines Available for Service	5,460	8,857	5,412	8,818	5,436	8,838
Total Tractive Effort	231,177,900	377,559,200	235,281,700	379,385,100	233,229,800	378,472,150
Average Tractive Effort Per Engine	42,340	42,628	43,474	43,024	42,907	42,826
Excluding A., T. & S. F. Ry. and C., R. I. & P. Ry. from Both Southwestern Territory and Western Trunk Line Territory						
Number of Freight Engines Available for Service	3,398	6,795	3,383	6,789	3,391	6,792
Total Tractive Effort	135,492,600	281,873,900	138,464,700	282,568,100	136,978,650	282,221,000
Average Tractive Effort Per Engine	39,874	41,483	40,930	41,621	40,402	41,552

Tractive Effort of Freight Engines, for Class I Carriers in Southwestern and Western Trunk Line Terr

Carriers in Southwestern Territory

Road	Freight Engines			
	Number available for service	Total tractive effort	Average tractive effort per engine	
(1)	(2)	(3)	(4)	
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	1,224	64,954,900	53,068	A. T. & S. F.
C. R. I. & P. (Inc. C. R. I. & G.)	1,031	39,691,500	38,498	C. R. I. & P.
Ft. W. & D. C	72	3,023,000	41,986	C. & A.
Ft. S. & W	15	469,000	31,267	C. & E. I.
Gulf Coast Lines	45	1,519,000	33,756	C. & N. W.
I. & G. N	28	1,291,600	46,129	C. B. & Q.
K. C. M. & O. (Inc. K. C. M. & O. of T.)	54	1,960,900	36,313	C. G. W.
K. C. S. (Inc. T. & Ft. S.)	125	6,194,800	49,558	C. M. & St. P.
K. O. & G.	23	953,200	41,443	C. St. M. & O.
La. & Ark	24	909,700	37,904	D. S. S. & A.
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	42	1,173,400	27,938	E. J. & E.
Mid. Val	37	1,234,200	33,357	G. B. & W.
M. & N. A	18	594,400	33,022	I. C
M.-K.-T. (Inc. M.-K.-T. of T. and W. F. & N. W.)	426	18,658,800	43,800	L. S. & Ishpeming
Mo. Pac	787	30,482,000	38,732	M. & St. L.
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	650	26,783,500	41,205	M. St. P. & S. S. M.
St. L. S. W. (Inc. St. L. S. W. of T.)	199	7,413,600	37,254	Q. O. & K. C.
S. A. & A. P	60	1,664,900	27,748	Wabash
S. A. U. & G	12	287,100	23,925	
Sou. Pac. (Tex. & La.)	320	12,188,900	38,090	
T. & P	222	8,267,600	37,241	
T. & B. V	29	888,700	30,645	
V. S. & P	15	528,200	35,213	
Wichita Valley	2	45,000	22,500	
Total	5,460	231,177,900	42,340	Total
Total, Excl. A., T. & S. F. and C., R. I. & P.	3,398	235,399,900	39,874	Total, Excl. A

nes, for Class I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1923.

itory

Freight Engines			Carriers in Western Trunk Line Territory	Freight Engines		
nber lable ervice	Total tractive effort	Average tractive effort per engine	Road	Number available for service	Total tractive effort	Average tractive effort per engine
2)	(3)	(4)	(5)	(6)	(7)	(8)
224	64,954,900	53,068	A. T. & S. F.	1,067	57,430,300	53,824
031	39,691,500	38,498	C. R. I. & P.	995	38,255,000	38,447
72	3,023,000	41,986	C. & A.	177	7,604,900	42,966
15	469,000	31,267	C. & E. I.	228	9,610,400	42,151
45	1,519,000	33,756	C. & N. W.	1,207	49,085,700	40,668
28	1,291,600	46,129	C. B. & Q.	1,052	45,449,100	43,203
54	1,960,900	36,313	C. G. W.	155	7,007,400	45,209
125	6,194,800	49,558	C. M. & St. P.	1,544	63,945,500	41,415
23	953,200	41,443	C. St. M. & O.	240	7,825,100	32,605
24	909,700	37,904	D. S. S. & A.	46	1,213,600	26,383
42	1,173,400	27,938	E. J. & E.	154	7,606,900	49,395
37	1,234,200	33,357	G. B. & W.	11	295,900	26,900
18	594,400	33,022	I. C.	1,102	50,697,300	46,005
426	18,658,800	43,800	L. S. & Ishpeming	14	568,900	40,636
787	30,482,000	38,732	M. & St. L.	163	5,528,000	33,914
650	26,783,500	41,205	M. St. P. & S. S. M.	333	10,989,800	33,002
399	7,413,600	37,254	Q. O. & K. C.	6	110,400	18,400
60	1,664,900	27,748	Wabash	363	14,335,000	39,490
12	287,100	23,925				
520	12,188,900	38,090				
222	8,267,600	37,241				
29	888,700	30,645				
15	528,200	35,213				
2	45,000	22,500				
660	231,177,900	42,340	Total	8,857	377,559,200	42,628
598	235,399,900	39,874	Total, Excl. A. T. & S. F. and C., R. I. & P.	6,795	281,873,900	41,483

Tractive Effort of Freight Engines, for Class I Carriers in Southwestern and Western Trunk Line Te

Carriers in Southwestern Territory

Road	Freight Engines		
	Number available for service	Total tractive effort	Average tractive effort per engine
(1)	(2)	(3)	(4)
A. T. & S. F. (Inc. G. C. & S. F. & P. & S. F.)	1,245	67,656,700	54,343
C. R. I. & P. (Inc. C. R. I. & G.)	973	38,020,500	39,076
Ft. W. & D. C.	71	3,006,000	42,338
Ft. S. & W.	15	469,000	31,267
Gulf Coast Lines	47	1,622,000	34,511
I. & G. N.	33	1,527,900	46,300
K. C. M. & O. (Inc. K. C. M. & O. Ry. of T.)	50	1,815,700	36,314
K. C. S. (Inc. T. & Ft. S.)	133	7,251,700	54,524
K. O. & G.	23	953,200	41,443
La. & Ark.	22	844,900	38,405
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T,)	43	1,304,200	30,330
Mid. Val.	36	1,212,100	33,669
Mo. & N. A.	18	594,400	33,022
M.-K.-T. (Inc. M.-K.-T. of T. & W. F. & N. W.)	374	17,141,600	45,833
Mo. Pac.	828	33,467,000	40,420
St. L.-S. F. (Inc. St. L. S. F. & T. & Ft. W. & R. G.)	654	26,796,000	40,972
St. L. S. W. (Inc. St. L. S. W. of T.)	199	7,423,700	37,303
S. A. & A. P.	56	1,589,400	28,382
S. A. U. & G.	12	329,700	27,475
Sou. Pac. (Tex. & La.)	314	12,081,500	38,476
T. & P.	218	8,651,600	39,686
T. & B. V.	29	888,700	30,645
V. S. & P.	17	589,200	34,659
Wich. Val.	2	45,000	22,500
Total	5,412	235,281,700	43,474
Total, Excl. A., T. & S. F. & C., R. I. & P.	3,383	138,464,700	40,930

A. T. & S. F.
C. R. I. & P.
C. & A.
C. & E. I.
C. & N. W.
C. B. & Q.
C. G. W.
C. M. & St. P.
C. St. P. M. & O.
D. S. S. of A.
E. J. & E.
G. B. & W.
I. C.
L. S. & Ishpeming
M. & St. L.
M. St. P. & S. S. M.
Q. O. & K. C.
Wabash
Total
Total, Excl.

lass I Carriers in Southwestern and Western Trunk Line Territories, for the Year Ended December 31, 1924.

Carriers in Western Trunk Line Territory

Freight Engines			Freight Engines		
Total tractive effort (3)	Average tractive effort per engine (4)	Road (5)	Number available for service (6)	Total tractive effort (7)	Average tractive effort per engine (8)
67,656,700	54,343	A. T. & S. F.	1,092	60,233,000	55,158
38,020,500	39,076	C. R. I. & P.	937	36,584,000	39,044
3,006,000	42,338	C. & A.	177	7,606,800	42,976
469,000	31,267	C. & E. I.	214	9,304,300	43,478
1,622,000	34,511	C. & N. W.	1,188	48,758,500	41,043
1,527,900	46,300	C. B. & Q.	1,044	45,276,200	43,368
1,815,700	36,314	C. G. W.	154	7,032,300	45,664
7,251,700	54,524	C. M. & St. P.	1,546	63,112,800	40,823
953,200	41,443	C. St. P. M. & O.	239	7,810,300	32,679
844,900	38,405	D. S. S. of A.	49	1,381,900	28,202
1,304,200	30,330	E. J. & E.	145	7,261,000	50,076
1,212,100	33,669	G. B. & W.	12	321,500	26,792
594,400	33,022	I. C.	1,119	51,594,600	46,108
17,141,600	45,833	L. S. & Ishpeming	18	727,300	40,406
33,467,000	40,420	M. & St. L.	163	5,545,400	34,021
26,796,000	40,972	M. St. P. & S. S. M.	333	10,989,800	33,002
7,423,700	37,303	Q. O. & K. C.	6	110,400	18,400
1,589,400	28,382	Wabash	382	15,735,000	41,191
329,700	27,475				
12,081,500	38,476				
8,651,600	39,686				
888,700	30,645				
589,200	34,659				
45,000	22,500				
235,281,700	43,474	Total	8,818	379,385,100	43,024
138,464,700	40,930	Total, Excl. A., T. & S. F. & C., R. I. & P.	6,789	282,568,100	41,621

Increase in Investment in Road and Equipment for Class I Carriers in Southwestern Territory During the Period from January 1, 1917, to December 31, 1924, Inclusive

Road (1)	Average road mileage operated: Year 1916 (2)	Average road mileage operated: Year 1924 (3)	Investment in road and equipment: As of Dec. 31, 1916 (thousands) (4)	Investment in road and equipment: As of Dec. 31, 1924 (thousands) (5)	Investment in road and equipment: Increase (thousands) (6)	Investment in road and equipment: Per cent of increase (7)
A. T. & S. F. (Inc. G. C. & S. F. and P. & S. F.)	11,244.40	11,836,98	$691,548	$920,468	$228,920	33.10%
C. R. I. & P. (Inc. C. R. I. & G.)	8,090.40	8,072.69	349,675	412,079	62,404	17.85%
Ft. W. & D. C	454.14	456.64	25,632	30,785	5,153	20.10%
Gulf Coast Lines	897.64	860.19	34,767	38,754	3,987	11.47%
I. & G. N	1,159.50	1,159.50	40,208	45,137	4,929	12.26%
K. C. M. & O. (Inc. K. C. M. & O. of T.)	737.87	737.95	28,691	29,158	467	1.63%
K. C. S. (Inc. T. & Ft. S.)	842.73	854.09	97,985	108,292	10,307	10.52%
K. O. & G	332.36	314.42	11,524	18,821	7,297	63.32%
La. & Ark	278.72	302.25	12,105	13,773	1,668	13.78%
L. Ry. & N. Co. (Inc. L. Ry. & N. Co. of T.)	349.18	544.71	20,862	26,052	5,190	24.88%
Mid. Val	383.02	364.90	18,609	20,877	2,268	12.19%
M.-K.-T. (Inc. M.-K.-T. of T. and W. F. & N. W.)	3,865.02	3,193.14	247,228	273,937	26,709	10.80%
Mo. Pac	7,437.26	7,359.97	327,448	418,392	90,944	27.77%
St. L.-S. F. (Inc. St. L. S. F. & T. and Ft. W. & R. G.)	5,231.11	5,132.24	333,479	410,208	76,729	23.01%
St. L. S. W. (Inc. St. L. S. W. of T.)	1,753.83	1,777.01	101,073	119,077	18,004	17.81%
S. A. & A. P	732.65	739.36	24,210	26,327	2,117	8.74%
S. A. U. & G	317.26	317.26	4,723	5,916	1,193	25.26%
Sou. Pac. (Tex. & La.)	3,534.70	3,616.67	181,418	209,279	27,861	15.36%
T. & P	1,946.50	1,952.74	110,461	136,684	26,223	23.74%
T. & B. V	357.21	368.89	11,533	11,686	153	1.33%
V. S. & P	171.47	188.46	9,059	10,959	1,900	20.97%
Wichita Valley	256.90	271.92	5,510	6,048	538	9.76%
Total	50,373.87	50,421.98	$2,687,748	$3,292,709	$604,961	22.51%
Total, Excl. A., T. & S. F. and C., R. I. & P.	34,124.99	33,740.91	$1,742,764	$2,072,414	$329,650	18.92%

[fol. 697] This exhibit, No. A-124, offered for the carriers in Southwestern territory, contains financial, operating and traffic statistics of the class 1 carriers in Southwestern and Western Trunk Line territories for different periods. Throughout the exhibit, the figures are shown separately for each line or system; in total for the lines in Southwestern Territory and in total for the lines in Western Trunk Line territory. In grouping the lines into the two territories the A. T. & S. F. Railway and the C. R. I. & P. Railway were included in both the Southwestern Territory and Western Trunk Line territory, those two roads having much mileage in both of the two territories. However, in order to have at hand information showing the results with the A. T. & S. F. Railway and the C. R. I. & P. Railway omitted, the group totals and averages are shown also with those two roads excluded from both the Southwestern Territory and Western Trunk Line Territory. The information is set up under eleven different headings as indicated by the index appearing on page one (Tr. 4925-4926).

There is shown first, the net railway operating income, investment in road and equipment, rate of return and net railway operating income per mile of road for class 1 carriers in Southwestern and Western Trunk Line territories for the years ended December 31, 1916, 1917, 1921, 1922, '23, 1924 and 1923, which information appears on pages 2 to 9 inclusive. Pages 3 to 9 show the detail by roads and in total for each group, there being a separate page for each year, the year 1616 being on page 3, the year 1917 being on page 4, and so on. For convenient reference and comparison, the group totals and averages for each year were brought forward and set up on page 2. The figures for the carriers in Southwestern Territory are set up in columns 1 [fol. 698] to 6 inclusive, and those for the carriers in Western Trunk Line Territory in columns 7 to 12 inclusive. In the upper half of the page the Santa Fe and the Rock Island figures are included in both the Southwestern Territory and Western Trunk Line Territory and in the lower half of the page they are excluded from both territories. Calling attention to some of the figures, it will be observed that for the year 1916 the rate of return for the lines in

the Southwestern Territory amounted to 4.82 per cent and for the lines in Western Trunk Line Territory 5.74 per cent, the net railway operating income per mile of road amounting to $2,761.00 and $3,466.00 respectively. These figures included the Santa Fe and the Rock Island. Excluding these lines as shown in the lower half, the 1916 rate of return for the Southwestern group was 4.03 per cent and the western Trunk Line group 5.57 per cent. For the average of the seven years the rate of return with the Santa Fe and the Rock Island included in each of the two groups, amounts to 4.30 per cent for the Southwestern group and 3.98 per cent for the western trunk line group. With those two lines excluded the seven year average shows 3.95 per cent for the Southwestern group and 3.65 per cent for the Western Trunk Line group (Tr. 4926-4927).

I want to call attention to the fact that the balance of the information in the exhibit is set up in the same manner as that pertaining to net railway operating income, rate of return, and so forth, on pages 2 to 9 inclusive, just described. The carriers included in the Western Trunk Line and Southwestern territories, respectively, are territories listed in the Exhibit (Tr. 4928).

Next in the exhibit is shown information pertaining to dividends paid by the lines in the two territories during the years 1916 and 1917 and the four years of 1921 to 1924 inclusive, same appearing on pages 10 to 18 inclusive. The [fol. 699] comparative summary will be found on page 10. This shows that for the six years combined the percentage of dividends declared to capital stock amounted to 2.51 per cent for the Southwestern group and 4.46 per cent for the Western Trunk Line group; that is on the basis of including the Santa Fe and the Rock Island in both groups, the rate of dividends to capital stock for the six years combined amounted to 73/100 of one per cent for the Southwestern group and 4.28 per cent for the Western Trunk Line group. Per mile of road they amounted to $134 and $971 respectively. In this connection, it may be inferred that the relationship of stock and bonds might have some influence on the amount of dividends paid, in that some lines with a larger proportion of their capitalization represented by bonds would be paying a greater amount of interest on

bonds, whereas some other lines with a larger proportion of their capitalization represented by capital stock would be paying a greater amount of dividends on stock. Here, however, we have no such condition. Taking the lines as a whole, I find that the proportion of capital stock to the total of stock and bonds is about the same in each of the two groups. For the year 1923 the figures showed the following: Southwestern Lines, including the Santa Fe and the Rock Island, funded debt $1,846,233,507.00; capital stock $1,141,908,788.00; total $2,988,142,295.00; per cent of capital stock to total, 38.2 per cent. Western Trunk Lines, including the Santa Fe and the Rock Island, funded debt $2,352,386,400.00; capital stock $1,646,772,807.00; total $3,999,159,207.00; per cent of capital stock to total 41.2 per cent (Tr. 4928-4929).

Page 10, which is the comparative summary of the capital stock and dividends, details of which are shown on pages 11 to 16 inclusive, does not contain the heading "Carriers [fol. 700] in Southwestern Territory", which information is covered in columns 1 to 6 inclusive, nor the heading "Carriers in Western Trunk Line Territory", which information is contained in columns 7 to 12 inclusive. Pages 17 to 24 inclusive show the total operating revenues, operating expenses, ratio of operating expenses to operating revenues and operating revenues per mile of road operated for class 1 carriers in the two groups, covering the years 1916 and 1917, and the five years from 1921 to 1925 inclusive. The comparative summary will be found on page 17. Following, on pages 25 to 29 inclusive, are shown the operating ratios separately for freight service and passenger service covering the years 1923 and 1924. The detail by roads for the year 1923 is shown on pages 26 and 27, sheet 36 covering freight traffic and sheet 27 passenger traffic. Sheets 28 and 29 cover in the same way the year 1924. The totals and averages of each of the two groups for the two years are set up and compared on page 25. In this connection I desire to explain that the expenses as here reported, divided between freight and passenger service, are those so reported to the Interstate Commerce Commission by the carriers, as required under the Commission's regulations and formulæ. With the exception of a few small accounts, the revenues automatically divide between freight

service and passenger service. The Commission requires that switching revenue, other freight train revenue, storage freight, demurrage, revenue from grain elevators and stock yards be directly assigned to freight service, and that revenue from excess baggage, sleeping cars, parlor and chair cars, mail, express, other passenger train, milk, parcel rooms, and storage baggage be assigned to,—directly to passenger service. This leaves undivided as between freight service and passenger service the small amounts in ac- [fol. 701] counts, "special service trains," "station, train and boat privileges", "telegraph and telephone lines", "rents of buildings and other property," "Miscellaneous," "joint facility—credit", "joint facility—debit". For the purpose of my exhibit I divided these small items of revenue between the freight service and the passenger service on the basis of percentages that the freight revenue in account 101 and passenger revenue in account 102 bore to the total of the two accounts. I may add in passing that the mexcellaneous revenues so divided are less than 1 per cent of the total operating revenues (Tr. 4930-4931).

On pages 30, 31 and 32 I have shown the freight earnings and freight operating expenses per ton mile for class 1 carriers in the two groups for the years 1923 and 1924. The freight earnings per ton mile as here shown include the miscellaneous earnings allied to freight service as just explained in connection with the revenues shown on pages 25 to 29 inclusive. From the last two columns on page 30, which is the summary sheet, it will be seen that combined for the two years 1923 and 1924, the freight earnings, including miscellaneous freight earnings, per ton mile, amounted to 1.345¢ for the lines in Southwestern group and 1.130¢ for the lines in Western Trunk Line group. The operating expenses per ton mile amounted to .990¢ for the Southwestern group and .855¢ for the lines in the Western Trunk Line group, percent marks in the last column should be cent marks. The percent marks opposite the earnings per ton mile and the expenses per ton mile in the last column should be cents,—cent marks, instead of percent marks (Tr. 4931-4932).

The Examiner here said that he noticed that the freight earnings in the Southwest were apparently about 25 per

cent greater than in Western Trunk Line territory, refer-
[fol. 702] ring to the average freight earnings per ton mile in 1924, that it varried with different years and that the freight operating expenses showed a difference of approximately 15 per cent on the average on the same page. The Witness agreed that the difference in the operating expenses referred to was slightly less than the difference in the earnings per ton mile (Tr. 4932-4933).

The following is quoted verbatim from the transcript of testimony:

Q. I was just wondering whether there was any way of explaining the wide difference between the revenues and expenses per ton mile and the slight difference in the return on investment?

Mr. Towner: Mr. Disque, that return figure you read is averaged for six or seven years, if you will look at the 1924 return figures you will find that the difference is the difference between 3.31 and 4.44 and that is more nearly comparable to the differences on page 30.

Exam. Disque: Oh, yes, I see. It depends on what years you take and what figures; you can get any result you want (Tr. 4933).

The Witness: In these figures the Santa Fe and the Rock Island are included in both the Western Trunk Line Territory and Southwestern Territory. The similar figures, excluding the Santa Fe and the Rock Island, are shown near the bottom of page 30. Following this information, there is shown on pages 33, 34 and 35, the cost of freight station and yard expenses per ton of revenue freight handled, separately for each of the two territories covering the years 1923 and 1924; the detail by roads appearing on pages 34 and 35 and the summary on page 33. The expenses here included are those in accounts 373 to 399 inclusive, assigned to freight service in accordance with the formula prescribed
[fol. 703] by the Commission and as reported by the carriers in their annual reports to the Commission. The figures show a somewhat higher cost per ton for the lines in the Southwestern Group as compared with the lines in the Western Trunk Line group. Those are terminal expenses—station and yard expenses (Tr. 4933-4934).

On pages 36 to 42 inclusive is shown the freight traffic density for class 1 carriers in Southwestern Territory and Western Trunk Line Territory for the years 1916, 1917, 1921, 1922, 1923 and 1924. The details by roads are shown on pages 37 to 42 inclusive, there being a separate sheet for each year. For convenient reference and ready comparison, the group totals and averages of each year are brought over and set up on page 36. In the last two columns on page 36 I have shown the increase in tons one mile per mile of road, Western Trunk Line Territory over Southwestern Territory, expressed both in amounts and percentages. Including the Santa Fe and the Rock Island in both the Southwestern Territory and the Western Trunk Line Territory, the tons one mile per mile of road for the lines in Western Trunk Line Territory, for the year 1916 are 347.343 in excess of those for the lines in Southwestern Territory, or 44.24 per cent. For that same year, including the Santa Fe and the Rock Island from both territories, the increase in Western Trunk Line Territory amounted to 483,900, or 67.79 per cent. For the average of the six years the tons one mile per mile of road in Western Trunk Line Territory are 332,175 or 38.63 per cent over those of the lines in Southwestern Territory, including the Santa Fe and the Rock Island in both territories. Excluding those two lines from both territories, the increase in Western Trunk Line Territory amounts to 461,377, or 57.56 per cent. The average haul per ton of freight for each of the two groups for the years 1923 and 1924 is shown on pages 43, 44 [fol. 704] and 45 (Tr. 4934-4935).

Pages 46 to 52 inclusive contain freight operating statistics for class 1 carriers in the two territories covering the years 1923 and 1924 and the ten months ended October 31, 1925. The principal information shown is the gross and net train load, the per cent of loaded to total car miles and the gross and net ton miles per train hour. The detail by roads is shown on pages 47 to 52 inclusive. The group totals and averages for each period are set up on page 46. In the last two columns on page 46 are shown the totals and averages for the two years and ten months combined. It will be observed that the Western Trunk Lines have a better train and car loading than the Southwestern Lines and also that their gross and net ton miles per train hour are

in excess of those of the Southwestern Lines. That accounts in part for the lower expense per ton mile in Western Trunk Line Territory than in Southwestern Territory (Tr. 4935-4936).

In connection with the train loading and other statistics shown on pages 46 to 52 inclusive, I have shown on pages 53 to 55 inclusive, the tractive effort of freight engines of the class 1 carriers in Southwestern and Western Trunk Line territories for the years 1923 and 1924. This for the reason that heavy or light train loading, where all other conditions are equal, is influenced largely by the size of your engine—the carrier with the heavier power being able to carry the heavier trainload. The figures on page 53, which are the totals and averages for each of the two groups separately for the years 1923 and 1924 and combined for the two years, show that the tractive effort of freight engines of the carriers in the Southwestern Territory are practically the same as the tractive effort of the engines in Western Trunk Line Territory (Tr. 4936).

[fol. 705] On the last page of this exhibit, on page 56, I have shown the amount and percentage of increase in investment in road and equipment for class 1 carriers in Southwestern Territory during the period from January 1, 1917, to December 31, 1924, inclusive. It will be observed that including the Santa Fe and the Rock Island in Southwestern Territory, the increase in investment in road and equipment during the period shown amounted to $604,961,000.00, or 22.51 per cent. Excluding the Santa Fe and the Rock Island, the increase amounted to $329,650,000.00, or 18.92 per cent (Tr. 4927).

The value of the Southwestern Lines compared to the Western Trunk Lines per mile of road is not shown. That is shown in investment of road and equipment, including materials and supplies and cash in connection with the rate of return on pages 2 to 9, inclusive, and it is also shown in the average miles of road operated. Of course, the operated mileage is not always comparable with the investment shown on account of your trackage rights. To have a comparable figure you should have the mileage owned. As I recall the Witness Parson's Exhibit A-78, that only shows the operated mileage and investment in road and equipment including materials and supplies. It does not show the owned

mileage. The elimination of the mileage I referred to would slightly increase these figures, in the case of carriers who operated mileage that they do not own (Tr. 4937-4938).

My figures do not differ substantially from Mr. Parson's in this respect. I compared the mileage figures and investment in road and equipment plus material and supplies, in Mr. Parson's Exhibit No. A-78 with the figures shown in my exhibit and they are exactly the same. The mathematical computation on the same basis can be made from page 2 of Exhibit No. A-124 (Tr. 4938).

[fol. 706] I don't think that I could say offhand how much more revenue per mile of road is necessary in the Southwest over and above that necessary in Western Trunk Line Territory to produce the desired return on investment. The average hauls are approximately the same (Tr. 4939).

The Examiner here said that the value per mile is apparently nearly the same and the expenses per mile about 25 per cent greater, roughly, in the Southwest. It was called to his attention that the figures were partly the result of combination rates and much other traffic which moves on rates not involved in the case (Tr. 4939-4940).

The Witness (continuing): The revenue on traffic involved in this case accruing to the western Trunk Lines for the month of June, 1924 as shown by Exhibit No. A-60 amounts to $919,086.00. The total freight revenue for those same carriers for the month of June, 1924 amounts to $35,888,948.00, the $919,086.00 being 2.5 per cent of the $35,888,948.00. These figures in Exhibit No. A-60, as I understand them, are for the nine roads covered by Exhibit No. A-41 to Exhibit No. A-49, inclusive, although I was unable to verify the figures in Exhibit No. A-41 to A-49, with the total in Exhibit No. A-60 (Tr. 4941).

The proportion of oil traffic to the total traffic as shown by Exhibit No. A-60 and which is for the month of June, 1924, amounts to the following when based on tonnage, oil tonnage 150,093.2, total tonnage 260,434.6, oil being 58 per cent of the total; based on revenue the figures are revenue from oil $1,107,337.00, total revenues $2,217,423.00; proportion of oil to total, 50 per cent (Tr. 4942).

The following is quoted verbatim from the transcript of testimony:

[fol. 707] Exam. Disque: Something was said about the revenues of Southwestern Lines being made up largely of combination rates, revenue from combination rates; that is also true of the Western Trunk Lines.

Mr. Larimore: Well, you could not state I don't think without a complete working knowledge of the rate structure on both lines, you could not take that difference in operating expenses and guess at the intrastate traffic, transcontinental and so forth, and say now this represents the difference between the expenses of the Southwestern Lines and the Western Trunk Lines on the traffic involved here; you would come about as near to it as you would to the moon.

Mr. Muckley: In other words you are taking all of the differences in all territories and applying it to 2 per cent of the traffic as shown by Mr. Press's statement; I don't think that is proper.

Exam. Disque: First thing you know we won't be able to get any testimony that will enable us to decide our case.

Mr. Larimore: Well, we have got some other testimony.

Mr. Outlaw: If the value per mile of line is similar in both territories and the density of traffic is lighter in one than another, wouldn't there have to be in addition to operating expenses being greater by reason of lesser density, wouldn't that lesser density require a greater return per unit of traffic in order to earn a proper return in the territory of lighter density.

A. Yes, sir.

Exam. Disque: Somebody said these Southwestern Lines were over capitalized too.

Mr. Larimore: Who said that

[fol. 708] Exam. Disque: Overvalued, I mean (Tr. 4942-4943).

A statement thereafter described by the witness was thereupon offered in evidence as Exhibit A-125 (Tr. 4943).

(Exhibit A-125 was received in evidence.)

[fol. 709] The figures shown in Exhibit No. A-125 except for the computation of percentages made therefrom, were copied right out of Exhibit No. A-60. The exhibit shows the revenue per ton and the average haul per ton north of junction and south of junction, compared. The information is shown separately for each of the several commodi-

ties listed in Exhibit No. A-60, namely lumber, oil, live stock, and all other carload freight. It is shown separately for the Southwestern states in which the traffic had point of origin or destination, namely, Missouri, Arkansas, Louisiana, Oklahoma and Texas. It is also shown separately and combined for the traffic moving via the several junction points, namely Kansas City, East St. Louis and Cairo, Gale or Thebes. The information for the traffic via Kansas City and East St. Louis is shown on sheet one. Sheet two covers the traffic via Cairo, Gale or Thebes and the total for all of the junction points being shown at the bottom of page two (Tr. 4943-4944).

I exercised care in extracting from Exhibit A-60 the data completely and correctly. The revenues per ton on the basis of revenues or values is here shown in total for the lines north of the junction and the lines south of the junction, and the average haul for the lines north of the junction and south of the junction are the exact figures as appear in Exhibit No. A-60. The revenue accruing to the lines north of the junctions for the Western Trunk Lines was 41.5 per cent of the total. The average haul of the Western Trunk Lines was 47.2 per cent of the total. That is their service. The revenue accruing to the lines south of the junction on the Southwestern Lines was 58.5 per cent of the total and their service was 52.8 per cent of the total. According to these figures taken from Exhibit A-60 at their [fol. 710] face value, the Southwestern Lines got only about 11 per cent above the mileage pro-rate. I took lumber, oil, live stock and so forth because that was the only separation shown as to commodities in Exhibit A-60. The Exhibit A-25 covered all traffic, not only lumber, live stock and oil, but all other carload traffic. Exhibit A-60 does not show any oil moving from either Arkansas or Louisiana through the Kansas City gateway. That is remarkable. I don't know what conclusion to draw from it. They got it up and they have to explain it (Tr. 4944-4945-4946).

I desire to make a few comments concerning the financial and statistical exhibits offered by certain witnesses of the Western Trunk Lines. Much of the basic information concerned in the exhibits of the Western Trunk Lines is the same as that used in my Exhibit No. A-124 offered here. I have verified the figures used in the exhibits of the Western

Trunk Lines with those shown in my exhibit, and, with some few exceptions, found them to agree. I will take up first Exhibit No. A-50, introduced by Mr. C. H. Balch. On page 3 of this exhibit Mr. Balch shows investment in road and equipment for the Chicago & Eastern Illinois $79,731,-781.00. These figures as used in my exhibit show $83,565,-341.00, a difference of $3,809,741.00, representing proportion of investment in road and equipment of the Chicago & Western Indiana Railroad leased by the Chicago & Eastern Illinois and other roads. My figures covering investment in road and equipment were taken from the records of the Bureau of Railway Economics at Washington, who have on file answers to a questionnaire submitted to the carriers for the purpose of having them report to the Bureau their investment in road and equipment, the earnings and expenses of which are included in the income account of the [fol. 711] operating company. The investment in road and equipment so reported by the carriers is supposed to be in agreement with the investment in road and equipment the carriers reported to the Interstate Commerce Commission under the Commission's orders in the matter of the recovery and payment of excess railway operating income under the provisions of section 15-A of the Interstate Commerce Act. Those figures do not in all cases, check with the investment figures reported in the annual reports of the operating companies. I presume Mr. Balch's figures were taken from the annual reports of the different operating companies filed with the Interstate Commerce Commission, hence the difference. There is a similar difference in the investment in road and equipment for the Chicago & Northwestern. Page 3 of Balch Exhibit No. A-50 shows the investment in road and equipment as of December 31, 1922, for the Chicago & Northwestern at $455,737,729.00. These figures as used in my exhibit No. A-124 show $457,376,-174.00, a difference of $1,638,445.00. This difference, as my investigation developed, represents investment in road and equipment of the Escanaba, Iron Mountain & Western Railroad, a leased line of the Chicago & Northwestern, omitted in exhibit No. A-50, but included in my exhibit No. A-124. It is my understanding that the earnings of this road are included in the income account of the Chicago & Northwestern Railway. It is also my understanding that the investment in road and equipment of the Chicago & North-

western so used in my exhibit, and which is that reported to the Bureau of Railway Economics by the Chicago & Northwestern Railway, is in agreement with that which the Chicago & Northwestern reported to the Interstate Commerce Commission under the Commission's order in the matter of recovery under Section 15-A of the Transpor-[fol. 712] tation Act (Tr. 4946-4947-4948).

Page 3 of exhibit No. A-50 shows investment in road and equipment, including material and supplies, for the St. Louis-Southwestern Railway, $79,153,902.00. The correct amount is $79,163,902.00. This is evidently an error in addition on the part of Mr. Balch, since the investment in road and equipment amounts to $76,918,680.00, and the materials and supplies $2,245,222.00, making the total $79,163,902.00 instead of $79,153,902.00. On this same page 3 of exhibit No. A-50 Mr. Balch shows investment in road and equipment, including material and supplied, for the Texarkana & Ft. Smith, amounting to $4,897,729.00. The correct amount is $4,851,629.00, Mr. Balch having erroneously included $46,100.00 as representing material and supplies which does not represent material and supplies. This difference of $46,100.00 is made up of $10,393.00 traffic and car service balances receivable, $30,048.00 net balance receivable from agents and conductors, and $5,659.00 other current assets, and does not represent material and supplies.

The mark "A" opposite Kansas, Oklahoma & Gulf on page 3 of Balch exhibit No. A-50 and the note at the bottom of page 3 pertaining thereto should be stricken out, since the Kansas, Oklahoma & Gulf figures shown do not include the Kansas, Oklahoma and Gulf of Texas. On page 4 of Balch Exhibit No. A-50 we have the same condition with respect to the investment in road and equipment of the Chicago & Eastern Illinois for the year 1923 as prevailed on page 3 for the year 1922, explained above. The difference amounts to $3,835,377.00, Mr. Balch showing $82,288,-473.00 and the figure as included in my exhibit No. A-124 showing $86,125,850.00. This difference represents $24,-[fol. 713] 481.00 covering investments on leased lines and $3,810,896.00 representing proportion of the investment in road and equipment of the Chicago & Western Indiana Railroad leased by the Chicago & Eastern Illinois included in my exhibit but not by Mr. Balch (Tr. 4948-4949).

On page 4 of Balch exhibit No. A-50 the mileage of the Texarkana & Ft. Smith Railway for the year 1923 is shown as 93.35 miles. The correct mileage is 81.08. The footnote on page 4 pertaining to the Kansas, Oklahoma & Gulf should be stricken out for the same reason as explained above in connection with similar footnote pertaining to the Kansas, Oklahoma & Gulf Railway figures for the year 1922 on page 3. On page 5 of exhibit No. A-50 the net railway operating income of the Southern Pacific Louisiana lines for the year 1924 is shown as $728,696.00. The correct amount is $734,073.00, a difference of $5,377.00. On the same page the net railway operating income for the S. A. & A. P. Railroad for the year 1924 is shown as $752,-236.00, whereas the correct amount is $758,461.00, a difference of $6,225.00. These two differences are due to corrections in the annual reports of these lines to the Interstate Commerce Commission made after Mr. Balch's figures and before my figures were taken off. On page 5 of Balch exhibit No. A-50 the investment in road and equipment, including material and supplies, for the Texarkana & Ft. Smith for the year 1924 is shown as $5,232,523.00. The correct amount is $5,132,523.00. Mr. Balch evidently made an error in footing, since the investment in road and equipment amounts to $5,114,711.00 and material and supplies $17,812.00 producing a total of $5,132,523.00 instead of $5,232,523.00 (Tr. 4950).

Referring to Exhibit No. A-51 introduced by Mr. B. F. [fol. 714] Parsons. I do not see the purpose of the figures in the third last column on page 3 under the heading "net freight revenue". They were arrived at by deducting from the freight revenue in account 101, the operating expenses assigned to freight service, and which operating expenses include the expenses of the miscellaneous freight service operations, such as switching and so forth. The figures are, therefore, in error to that extent. This same exception is taken to the net revenue per loaded freight car mile and the net revenue per million net ton miles shown on page 4 of exhibit A-51. The expenses as applied against the freight revenue include the expenses of the miscellaneous freight service operations while the revenue includes only that in account 101, omitting switching, demurrage, storage, freight, and so forth. There is no justification for apply-

ing the freight expenses, which include the expenses incurred in connection with the miscellaneous freight operations such as switching, and so forth, to the freight revenue only. Take for example, the freight revenue and expenses per million ton miles for the first road shown on page 4, namely, the Chicago & Alton. The freight revenue as shown here, amounting to $9,926.00 does not include the miscellaneous freight revenue, whereas the expenses shown as amounting to $7,930.00 do include the expenses of the miscellaneous freight operation. For the ascertainment of correct net revenue, one of two things should have been done,—either the expenses appertaining to the miscellaneous freight operations should have been excluded from the expenses, or else the revenues from miscellaneous freight operations included with the freight revenues. It would have been a very simple matter to have made the computations with the inclusion of the miscellaneous freight revenues in the freight revenue proper, since the total revenues [fol. 715] assignable to freight service is given on page 3 of exhibit No. A-51. If the freight revenue per million net ton miles for the Chicago & Alton for example, as shown on page 4 had been computed on the basis of the total freight revenue, including the revenue from the miscellaneous freight operations, same would have been shown $10,158.00 instead of $9,926.00 and the net revenue would then have been $2,228.00 instead of $1,996.00. There is a similar disparity for all of the other figures on page 4. The same error appears on page 6 where the freight revenue, expenses and net revenue are set up per freight train mile. The revenues per freight train mile here shown include only the revenue in account 101, omitting the miscellaneous freight revenue, whereas the expenses per freight train mile include the expenses of the miscellaneous freight operations. The net revenue, therefore, is in error to that extent (Tr. 4951-4952).

Referring to Parson's Exhibit No. A-52, covering the year 1923. The average miles operated for the Missouri-Kansas-Texas as appearing on page 2 of this exhibit are shown as 1,800.75. The mileage of the Missouri-Kansas-Texas for the year 1923, as used in my exhibit No. A-124 is 1,883.01, a difference of 82.26 miles. This difference represents the mileage of the Wichita Falls & Northwestern for

the period from January 1st to March 31st, 1923, included in my exhibit but no- included by Mr. Parsons. This inclusion and omission of the Wichita Falls & Northwestern is also responsible for differences in earnings and expenses of the Missouri-Kansas-Texas between the figures shown by Mr. Parsons and those used in my exhibit. Mr. Parsons exhibit shows the railway operating revenues of the Mis-
[fol. 716] souri-Kansas-Texas for the year 1923 on page 2 of this exhibit No. A-52 as $34,650,648.00, while the figures used in my exhibit No. A-124 show $34,911,504.00, a difference of $260,856.00. As to operating expenses, Mr. Parsons shows $26,463,215.00, whereas the expenses included in my exhibit show $26,745,160.00, a difference of $281,-945.00. On page 3 of exhibit No. A-52 the freight revenue of the K. C. M. & O. Railroad is shown as $1,642,780.00, and for the K. C. M. & O. of Texas as $1,590,306.00. My exhibit includes $1,642,060.00 for the K. C. M. & O. and $1,-589,181.00 for the K. C. M. & O. of Texas. The small difference is due to corrections in the annual reports of these roads after Mr. Parsons' figures and before my figures were taken off (Tr. 4952-4953).

As applying to the freight revenue of the Missouri-Kansas-Texas on page 3 of exhibit No. A-52, Mr. Parsons shows $20,522,029.00. My exhibit includes freight revenue for the Missouri-Kansas-Texas amounting to $25,917,-023.00, a difference of $5,394,994.00. I was unable to verify this difference. It is possible that Mr. Parsons has omitted the Missouri-Kansas-Texas Receiver's figures for the three months ended March 31, 1923, but that, however, would not fully explain the difference. The figures in my exhibit are absolutely correct and in accordance with the reports of the Missouri-Kansas-Texas lines filed with the Interstate Commerce Commission, same being as follows: Missouri-Kansas-Texas Receivers, January 1st to March 31, 1923, $6,141,727.00; Wichita Falls & Northwestern receivers, January 1st, to March 31, 1923, $194,994.00; Missouri-Kansas-Texas, new company, including Wichita Falls & Northwestern, April 1st, to December 31, 1923, $19,580,-302.00, a total of $25,917,023.00, as shown in my exhibit. The net freight revenue and operating ratios shown in the
[fol. 717] last two columns on page 3 of Parsons' exhibit

No. A-52 are erroneous for the same reason as stated in connection with similar figures in Parsons' exhibit No. A-51. The net freight revenue and freight operating ratios here shown were arrived at by applying the freight operating expenses including the expenses of the miscellaneous freight operations to the freight revenue only, omitting the revenue from miscellaneous freight operations such as switching, demurrage, and so forth, and the figures, therefore are in error to that extent. On page 4 of Parsons' exhibit No. A-52 he shows the tons of revenue freight for the Chicago & Alton for the year 1923 as 13,499,429. The figures in my exhibit show 13,507,046, a difference of 7,617. There is also a difference of 948,853 in the tons one mile, Mr. Parsons showing 2,435,688,198 and my exhibit showing 2,436,637,051. These difference- represent old company items lapping over into the receivership period, reported in the Chicago & Alton corporate report to the Interstate Commerce Commission, and which were not taken up by Mr. Parsons. Mr. Parsons, however, applied these tons and ton miles to the revenues and expenses, and since he did include the old company lap-over revenues and expenses, he should also have included the old company lap-over tons and tons one mile (Tr. 4954-5955).

For the Missouri-Kansas-Texas on page 4 of exhibit No. A-52 the tons of revenue freight are shown as 7,403,130. My exhibit No. A-124 includes for the Missouri-Kansas-Texas 7,592,100 tons, a difference of 98,970. The Missouri-Kansas-Texas tons one mile on this same page in exhibit No. A-52 are shown as 1,913,767,950. My exhibit includes 1,920,994,793, a difference of 7,226,843. These differences [fol. 718] are brought about by the fact that Mr. Parsons did not include the operations of the Wichita Falls & Northwestern for the three months ended March 31, 1923, whereas such operations are included in my exhibit No. A-124 (Tr. 4955).

The freight revenue per loaded freight car mile and the freight revenue per million net ton miles as shown on this page 4 of exhibit No. A-52 do not include the revenue from miscellaneous freight operations, and, therefore, the net freight revenue per loaded freight car mile and the net revenue per million net ton miles shown on the same page

are in error, since in arriving at these net revenue figures the expenses used include the expenses of the miscellaneous freight operations, while the revenue used is freight revenue only and does not include the revenues from miscellaneous freight operations. This same exception goes to the freight revenue per mile of road and the net freight revenue per mile of road shown on page 5 of Parsons' Exhibit No. A-52. This exception applies also to the freight revenue per train mile and net freight revenue per train mile shown on page 6. You cannot deduct the total expenses of a given traffic to only part of the revenue of such traffic and expect to get correct net revenue as a result (Tr. 4956).

I will now take up Parsons' Exhibit No. A-53. On page 2 of this exhibit Mr. Parsons shows for the Missouri-Kansas-Texas for the year 1922 the average miles operated as 1,670.50, railway operating income $31,991,332.00 and total operating expenses $21,399,658.00, against which my exhibit includes the Missouri-Kansas-Texas 1,999.57; $33,566,591.00; and $22,687,900.00, respectively. The differences represent the mileage and operations of the Wichita Falls & Northwestern, which are included in my exhibit, [fol. 719] but not in exhibit No. A-53, introduced by Mr. Parsons. On page 3 of exhibit No. A-53 the freight revenue of the Missouri-Kansas-Texas is shown as $23,395,947.00. My exhibit includes $24,595,705.00, a difference of $1,199,757.00, which represents the freight revenue of the Wichita Falls & Northwestern, included by me but not by Mr. Parsons (Tr. 4956-4957).

As to the Missouri-Kansas-Texas of Texas: On this page 3 of exhibit No. A-53 the freight revenue is shown as $14,002,696.00. My exhibit shows the—$14,602,696.00, a difference of $600,000.00. This must be an error in copying by Mr. Parsons, since my figures are absolutely correct. The net freight revenue and the freight operating ratios on page 3 of exhibit No. A-53 are erroneous for the reason that same were arrived at through the application of the freight service expenses, and which expenses include the expenses of the miscellaneous freight operations, to the revenue freight, but which revenue does not include the

revenue from the miscellaneous freight operations. This same exception goes to the average freight revenue per loaded freight car mile, the net freight revenue per loaded freight car mile, the freight revenue and the net freight revenue per million net ton miles shown on page 4. It also applies to the freight revenue and net freight revenue per mile of road on page 5 as well as to the freight revenue per train mile and the net freight revenue per train mile on page 6. Referring to Mr. Parsons' Exhibit No. A-54. Exception is taken to the freight operating ratios for the years 1923 and 1922 on page 2 of this exhibit, for the reason that same were arrived at by applying the freight operating expenses, including the expenses of the miscellaneous [fol. 720] freight operations, against the freight revenue in account 101 and which revenue does not include the revenue from miscellaneous freight operations, such as switching, and so forth. This same exception goes to the net freight revenue per mile of road and per million net ton miles shown on page 3, as well as to the net freight revenue per freight train mile and per loaded freight car mile on page 4. I consulted the original annual report on file with the Interstate Commerce Commission at Washington (4957-4958).

I was in Washington first and drew off certain figures for these lines here included, for the purpose of my exhibit No. A-124. In the meantime I compared those figures with the figures shown in the exhibits to which I have taken exception and found that certain differences as I have here explained. At a later date I wanted to get these figures up to date and it was again necessary for me to go to Washington to get the figures for the 11 months ending November 30, 1925. At that time I verified my figures against the figures shown in the exhibits to which I have taken exception and for the purpose of finding out just who was right or who was wrong or just what the reason was for the difference, so I feel reasonably certain as to the accuracy of the figures as I have here explained. Some of those differences were due, no doubt, to errors in copying, some due to cross footing, some might have been an oversight and so on. Now as to the Wichita Falls & Northwestern, which was merged with the M.-K.-T. effective

April 1923, for the purpose of having the same carriers all the way through I worked that merger back into the early figures which as I understand Mr. Parsons' exhibit, was not done. In getting the information I consulted the authentic reports on file with the Interstate Commerce Commission (Tr. 4958-4959).

The operating ratios are shown in Exhibit A-124, divided [fol. 721] between freight service and passenger service. The operating ratios for example are divided between freight service and passenger service shown on page 25. The operating ratio for freight for the year 1923 Southwestern Lines, was 75.96; Western Trunk Lines 76.96. So your estimate of about 25 per cent is about right. Of course that does not include taxes and hire of equipment and rents. I imagine that if you would include that it would run about 30 per cent. The difference in traffic density in the Southwest and Western Trunk Line territory is 38 and a fraction per cent including the Santa Fe and Rock Island and excluding them it is thirty-seven and a fraction (Tr. 4960).

(By Examiner Disque:) Now the operating expenses, say are 35 per cent greater in Southwestern than in Western Trunk Line Territory, the traffic density is 40 per cent less in Southwestern than in Western Trunk Line Territory; therefore you would be inclined to add to represent that 40 per cent difference in traffic density but Mr. Outlaw's point only goes to 25 per cent of the revenue. Therefore you take 25 per cent of 40 and add it to 25, I don't suppose you follow me, but that is what is in my mind. Do you know what I am talking about, Mr. Press?

A. Well, I don't know whether I can answer the Examiner's question. I have something else in mind that might enlighten him on that. Take for example the fact that a carrier may have a low operating ratio, would not indicate that it should be able to earn a higher return on its investment even though it was a fair and reasonable amount because the carrier may have an operating ratio of 85 or 90 per cent and be able to earn more on its investment than the carrier that has an operating ratio of 65 because of the greater density of the carrier with the higher operating [fol. 722] ratio. I have made some comparisons in the past

and found, for example, in the east where you have those heavy coal carrying lines, practically 90 per cent of the tonnage, I found in a good many instances that their operating ratio was very high, running as high as 85 or 90 per cent and yet they are able to earn quite a satisfactory return on their investments, while I have seen other carriers that had a very low operating ratio which could not earn a satisfactory return on their investment. That is on account of the tremendous density. The figures show that the density on the Southwestern Lines is about forty per cent less than on the Western Trunk Lines (Tr. 4961-4962).

Here followed a discussion between the Examiner and Attorney Larimore where it was agreed that the Examiner's theory would be more nearly correct, if the traffic density operating, expenses and value per mile were about the same in both districts. Attorney Larimore said that where the density of traffic is heavier on the Western Trunk Lines you could not apply to that situation the difference in operating expenses as a single rule to go by. To which Examiner Disque said, "Yes, I see, because the operating traffic density affects not only the operating expenses but it affects the return on your investment" (Tr. 4962-4963).

The Witness (continuing): In connection with the operating ratio, Mr. Examiner, as I have stated the line with the higher operating ratio may be in a better position or better able to earn a fair return on its investment as compared with the carrier with a low operating ratio. Take for example on page 24 of Exhibit No. A-124 which covers the total operating ratios for the year 1925 of the individual roads and compare the Illinois Central with the Santa Fe is 68.65 per cent; the operating ratio of the Illinois Central is 76.84 per cent; very much higher, the Illinois Central [fol. 723] than the Santa Fe, but if you look at the rate of return on page 9 for that same year you will find that the Santa Fe earned 5.14 and the Illinois Central only 4.72, although the Santa Fe operating ratio is very much less than the Illinois Central. What I mean is the Illinois Central earned almost as much as the Santa Fe (Tr. 4963).

The Santa Fe with the lower operating ratio earned the largest net return. There isn't so very much difference. That is what I tried to bring out with an operating ratio of

76 against 68, there is only a slight difference between the Illinois Central rate of return and that of the Santa Fe. You can pick out other examples. I have an illustration here which I thought would better serve the purpose. If you compare the E. J. & E. with the Santa Fe for example, which have operating ratios which are almost exactly the same; on page 24 of Exhibit No. A-124 it shows the operating ratio of the Santa Fe, 68.65, the operating ratio of the E. J. & E. is 7.24, very much higher, although both lines have about the same operating ratio, one 68.65 and the other 68.81. The reason for that as I see it is the fact that the E. J. & E. has a much greater density, it is nearly twice as much based on the tons per mile of road. The Santa Fe has as shown on page 42 of Exhibit No. A-124 a density of 1,102,973, whereas the E. J. & E. has a density of 3,272,351 (Tr. 4964).

Now based on net railway operating income, the Santa Fe per mile of road was $4,949.00 and the E. J. & E. $9,255.00. This difference in density as I see it, this substantial difference in density accounts for the greater return on the E. J. & E. as compared with the Santa Fe, when as a matter of fact their operating ratios are almost exactly the same. That is the idea I had in mind (Tr. 4964-4965).

I would not say that 25 cents out of every dollar per unit [fol. 724] of traffic on the Western Trunk Lines goes to pay interest on values, because the operating ratio for the Southwestern Lines as a whole based on the average for the several periods I have covered, amounts to about 75 per cent, that is the ratio of operating expenses to operating revenues. Out of that and before you can pay anything on investment, either as interest on bonds or dividends on stock, you would have to pay your taxes and rentals, which as I recall amount to about 5 or 6 per cent of the total operating revenues. So that if you add the ratio of expenses, including taxes and rentals, to revenues, I believe it would amount to about 80 per cent of the total operating revenues. My answer would be about the same as to the Western Trunk Lines because their ratio is about the same as the Southwestern Lines. Eighty per cent of the revenue on a unit of traffic in Western Trunk Line Territory goes to pay operating expenses and taxes and 20 per cent goes to pay interest on investment. In the Southwest the traffic

is just about half as great, for instance. It would be pretty hard to figure from that how much should go to pay interest on investment in the Southwest as compared with the Western Trunk Lines, giving consideration to the 50 per cent difference in traffic density. Each ton of freight has to pay a little more in the Southwest to make up for the lack of traffic, but just how much, I don't know. I can't tell off hand (Tr. 4965-4966-4967).

The operating expenses per ton mile on the C. M. and St. P. for year 1924, is shown as .829 on page 32 of my exhibit. I have no idea at all to what extent that figure is affected by the Puget Sound extension. I have no means of separating these figures. I do not know how the expenses east of the river on the Wabash affect the total expenses for the Wabash shown in my exhibit, now do I have the information as to the Illinois Central (Tr. 4968).

[fol. 725] Here followed a discussion as to whether most of the Chicago & Northwestern is in Western Trunk Line Territory. Attorney Towner said that the mileage figures put in by Witness Parsons showed that a very small part of it was and Attorney Muckley said that a lot of the secondary line, according to the testimony of the Witness, is outside of Western Trunk Line Territory (Tr. 4969).

Cross-examination:

The figures for the Illinois Central shown in my Exhibit A-124 do not include the Y. & M. V. They are for the Illinois Central Railroad alone. In selecting the carriers in the two territories I conferred with our Traffic and Legal representatives and it is largely my own selection so far as that is concerned. I tried to get the representative lines in both territories. I tried to show the condition of the territory rather than the condition on the individual lines. As I understand it, the E. J. and E is entirely in Western Trunk Line Territory. I think it is representative. It is included in Western Trunk Line Territory. I tried to show the situation in the territory regardless of what railroad it might have been. I don't know as to whether the E. J. & E is a belt line in the Chicago district or not. I am not familiar with the road. I know that it is in Western Trunk Line Territory, and that it is a road haul carrier. I under-

stand that the L. S. & Ishpeming Railroad is in the upper peninsula of Michigan. I picked that out because it is in the Western Trunk Line Territory just like several of the others. I have heard of the Fort Dodge, Des Moines & Southern, but did not include it. The L. S. & I was included in Exhibit A-39 and also in Exhibit A-80 just offered the other day (Tr. 4970-4971).

As a matter of fact all of the lines were included in Ex- [fol. 726] hibit No. A-39, and also in Exhibit No. A-80, with the exception of that Exhibit No. A-39 and No. A-80 so far as Western Trunk Lines are concerned do not include the C. & E. I. and the E. J. & E. Now in addition there is included in those exhibits, which I have not included, that is so far as Western Trunk Line Territory is concerned, the Chicago, Peoria & St. Louis, which line I understand is not in operation, the D. T. & W., the Union Pacific System, the Great Northern and the Northern Pacific, I have not included those because while they had perhaps some mileage in Western Trunk Line Territory they are rather remote but exhibit No. A-39 and No. A-80, as I said, included all of the lines which I have included with the exception of the E. J. & E. and the C. & E. I. In selecting the Southwestern Lines I took all class I roads (Tr. 4972).

Referring to page 36 of Exhibit A-124, the last two columns, to the right, showing increase in tons one mile per mile of road means the excess of the Western Trunk Lines over the Southwestern Lines for each of the years; for example, the figures shown in the second to the last column, that is the difference between the figures shown in the fourth column from the left, and the figures shown in the eighth column from the left. Or, take for example, the year 1916. Southwestern carriers show a deficit of tons one mile per mile of road of 785,212, the Western Trunk Lines 1,132,555; that is an increase for the Western Trunk Lines over the Southwestern Lines of 347,343 as there shown (Tr. 4972-4973).

Some of the exceptions which I took to Mr. Parsons' exhibits were directed to the fact that in figuring the revenues he used in getting his averages per mile of line and so forth, he did not include certain miscellaneous revenues. The exclusion of that miscellaneous revenues was made with respect to each carrier shown on the exhibit. In another of

my exhibits the total revenue, including the revenue to [fol. 727] which I have referred, is shown for one of the years, but in the application to the expenses the miscellaneous revenues were not used. Mr. Parsons simply took the freight revenue. Now as to the same error or the same amount of difference applying to all of the lines shown, I would like to make the statement on that that there would not be any real objection so long as the ratio of these miscellaneous earnings to the total freight revenue were about the same on all lines, but they are not the same, they are not even approximately the same because there is quite a difference between the ratio of the miscellaneous freight operations to the total freight revenue as between the different lines. It shows in the exhibit. It is set out separately. I tried to point out that particular lines with the same mileage like the Santa Fe and the Milwaukee, that the Milwaukee has about twice as much miscellaneous freight operations as the Santa Fe. The exclusion of that revenue would not result in a substantial difference. It is a difference and the increases are not correct. It is not substantial at all (Tr. 4973-4974-4975).

The oil as shown in the lower half of page 2 in Exhibit A-125 shows that the proportion that the lines north got out of the revenue was 50 per cent; in other words they have got 50 per cent of the revenue from oil through all gateways and had 52 per cent of the service. The lines south, or the Southwestern Lines, had 50 per cent of the revenue and had 48 per cent of the service; practically a mileage pro-rate (Tr. 4975-4976).

The following is quoted verbatim from the transcript of testimony:

Exam. Disque: Does this case involve individual commodities or all traffic or both?

Mr. Towner: All traffic.

[fol. 728] Mr. Roberts: All traffic.

Exam. Disque: Does it involve individual commodities?

Mr. Towner: It involves everything as I understand it.

Mr. Roberts: Yes (Tr. 4976).

Page 42 of Exhibit A-124 shows the traffic density of the various lines for the year 1924. That page shows that if

the E. J. & E. were eliminated that would not have a very material effect on the average density in Western Trunk Line territory. That is because the E. J. and E. out of the total of 81,000,000 ton miles represent only about 1,500,000 ton miles, leaving off the thousands. If the L. S. & I. were left out that would tend to increase the average density because the density of that line is lower than the average. Leaving out both of those lines would very little affect the totals. In selecting the lines I selected them without regard to their density, whether they had a heavy density or light density. These lines are not hand-picked. I tried to show the condition in the two territories as near as I could. If these lines were hand-picked I would have said that I was a mighty poor picker by including the D. S. S. & A. and Green Bay & Western and the L. S. & I. from the standpoint of density, because all of those lines are very, very light density. The operated mileage of the E. J. & E. in Western Trunk Line Territory is 459.77 miles out of 65,866.32 miles for the year 1924 (Tr. 4977-4978).

I said that the oil through all of the gateways is 58 per cent of the tonnage. Those figures were taken from Exhibit A-60. Whatever is in Exhibit A-60 if that has included oil originating on short lines why that figure does include it, but I am not familiar with what is included in Exhibit A-60 with regard to that item. If Exhibit A-60 does not include the oil originated by the short line such as the Midland Valley or the Dayton & Goose Creek, why the oil tonnage would [fol. 729] be correspondingly increased in the amount produced by those and similar short lines. I took Exhibit A-60 at its face value (Tr. 4978-4979).

Exhibit A-125 shows that based on Exhibit A-60, introduced by the Western Trunk Lines, the revenue on lumber today is divided practically on a mileage pro-rate. The figures for lumber through all gateways in Exhibit No. A-125 is shown on page 2. This shows that the lines north or in Western Trunk Line territory has 36 per cent of the revenue and 38 per cent of the haul. The lines south, or the Southwestern Lines had 64 per cent of the revenue and 62 per cent of the haul (Tr. 4979-4980).

Oil and lumber combined constitute 78 per cent of the tonnage and 66 per cent of the revenue on the entire traffic interchange (Tr. 4980).

Attorney Towner here said that in Mr. Balch's exhibit the name of the originating carriers where a shipment came off the short line and the point of origin, the junction by which it came to the trunk line for the haul to the north was shown, that Exhibit A-60 included all lumber originating in the Southwest in June 1924—that is, all revenue under the joint rates (Tr. 4980-4981).

Attorney Muckley thereupon said that he had referred to witnesses for the Milwaukee and Northwestern Roads who testified their unit operating costs were higher than that territory outside of Western Trunk Line territory; that the testimony for the Northwestern was found on 4525 of the transcript of the record and the testimony for the Milwaukee was found on page 4594 of the record (Tr. 4981-4982).

[fol. 730] C. C. DANA was thereupon recalled as a witness and testified as follows:

Direct examination:

I am Assistant freight traffic manager of the A. T. & S. F. Railway Company with headquarters at Chicago. I have held that position for about four years.

(Attorney Towner here said that Mr. Dana was qualified to testify.)

The first six years of my connection with the company was spent in the operating department as a clerk in the superintendent's office and as a local agent. I think because of the character of the testimony I shall offer I should like to review very briefly some of the positions which I have held with the company. For fifteen years, between 1898 and 1913 I was traveling and division freight agent in charge of our lines east of the Missouri River with the exception of the territory lying within the switching limits of Kansas City and Chicago, and in addition thereto had jurisdiction over off line solicitation in portions of Missouri, Iowa and Illinois. My duties of course as traveling division freight agent on the line required me to keep in very close touch with the situation as to grain and live stock and so forth. Following that I spent three years from 1913 to 1916 as industrial commissioner for the company with

jurisdiction over all of the system lines. Then I spent four years in the Panhandle of Texas except for a period of about seven or eight months in Washington with the Railroad Administration and then came back to Chicago. Now during the period of my experience as industrial commissioner and following that as general freight and passenger agent of the P. & S. F. Railway and assistant general freight agent of the A. T. & S. F. Railway in New Mexico, then as general freight agent in Chicago and subsequently as assistant freight traffic manager, I was called upon by the president's office at various times to make reports upon [fol. 731] the traffic situation on other lines, the acquisition of which was under consideration; also reports as to the possible expansion of our lines in new territory and other reports as to terminal situations (Tr. 4982-4983).

I have tried to deal in as brief a way as possible with the rates themselves that are involved in this case and following that with the divisions to and from all of the territory involved. The Southwestern Lines, believing a history, insofar as it is available, of the class rates and of the class and general commodity divisions between Texas Common Points and points in Western Trunk Line territory east of the Missouri River would be helpful in reaching a decision in this proceeding, submit the following: The records of the Texas Traffic Association, the organization of the Southwestern Lines of that time, show that there were through rates in effect from or to Chicago and Milwaukee territories and Texas points via East St. Louis or Kansas City as early and possibly prior to 1888. The first specific information, however, as to the actual rates and the basis upon which they were constructed appears in Circular No. 102 of the International Association, issued January 4, and effective February 20, 1889. This circular authorized the construction of class rates to or from Chicago territory on the basis of the following arbitraries over East St. Louis: Class 1, 20; 2, 16; 3, 12; 5, 10; 5, 7; A, 9; B, 8; C, 7; D, 6; E, 5, and to or from Milwaukee territory on the basis of the following arbitraries over East St. Louis; Class 1, 26; 2, 21; 3, 16; 4, 13; 5, 9; A, 11; B, 10; C, 9; D, 8; E, 7 (Tr. 4984-4985).

The record does not disclose what the base class rates from East St. Louis-St. Louis were nor have we been able

to locate the tariffs in effect at this same time. It is clearly [fol. 732] shown, however, by the records examined that as of November 2, 1891, the class rates between East St. Louis-St. Louis and Texas Common Points were: Class 1, 133; 2, 117; 3, 102; 4, 92; 5, 72; A, 76; B, 67; C, 57; D, 46; E, 39, and that as of December 1, 1892, the class rates from Chicago territory to Texas Common Points via East St. Louis or Kansas City were: Class 1, 153; 2, 133; 3, 114; 4, 102; 5, 79; A, 85; B, 75; C, 64; D, 52; E, 44.

These Chicago rates are exactly the arbitraries over East St. Louis-St. Louis of which we first found record in February, 1889. The record also shows in Circular Letter No. 30, February 27, 1891, issued by S. P. Brown, Chairman of the Chicago, and St. Louis Association and reporting the proceedings of a conference of representatives of the Chicago & Alton, C. B. & Q., C. & E. I., Illinois Central and Wabash railroads, lines members of his association, with Chairman Faithorn of the Southwestern Railway & Steamship Association that it was agreed at that time to apply the Chicago basis of rates between Milwaukee territory and Texas Common Points. The proceedings do not give the effective date of the change but that it became operative at some short time subsequent to February 27, 1891, is evidenced by the fact that other records show the Chicago rates actually in effect from Milwaukee on December 1, 1892. Since the meeting was called by Chairman Brown it seems fair to assume that it was his lines which sought the reduction (Tr. 4985-4986).

March 15, 1903, the basic scale from St. Louis was increased to $1.37 first class and again advanced, August 10, 1908, to $1.47 first class with the customary relationship for the lower classes. This last advance resulted in com- [fol. 733] plaint by the Railroad Commission of Texas, Case No. 1675 reported in 20 I. C. C. pages 463 to 485. In its decision the Commission found that reasonable rates for the future should not exceed: Class 1, 147; 2, 125; 3, 104; 4, 96; 5, 75; A, 79; B, 70; C, 58; D, 46; E, 39. During all of the period in which these increases were being made in the basic class rates from East St. Louis-St. Louis no change was made in the class scale of arbitraries Chicago over St. Louis and on June 24, 1918, we find exactly the same scale of arbitraries in effect as we first found record of in February, 1889 (Tr. 4986).

The $1.47 class scale, fixed by the Interstate Commerce Commission as reasonable, has been continued, except as modified by the general increases and decreases which have taken place in all of our rates, to the present day and is now from East St. Louis-St. Louis: Class 1, 223½; 2, 190½; 3, 158; 4, 146; 5, 114½; A, 120; B, 106; C, 88; D, 70; E, 59½.

What is true of the St. Louis basic scale is likewise true, speaking generally, of the arbitraries Chicago over St. Louis, the present scale being: Class 1, 30½; 2, 24; 3, 18½; 4, 15; 5, 10; A, 13½; B, 12½; C, 11; D, 9; E, 7½. Anticipating for a moment the history as to divisions it will be shown later that the agreed basis of divisions of the joint class rates from Chicago to Texas Common Points in effect as early as October, 1892, was 20 per cent to the lines north of East St. Louis-St. Louis which basis has been continued in effect to the present day. Let us now compare the divisions of the joint class rates in effect from Chicago to Texas Common Points December 1, 1892, the amounts in cents per 100 pounds by which those divisions exceeded the then arbitraries and the percentage relationship those divisions bore to the then arbitraries with exactly the same informa-
[fol. 734] tion as to the current divisions. For this purpose I have prepared a statement which I will introduce as Exhibit No. A-126 (Tr. 4987).

(Exhibit A-126 was received in evidence.)

[fol. 735] The exhibit shows that the class proportions in 1892 exceeded the arbitraries, Chicago over St. Louis, by amounts varying from 3.8 cents on Class E to 10.8 cents per 100 pounds on third class while on December 1, 1925 and currently they exceed the arbitraries, Chicago over St. Louis, by amounts varying from 5.9 cents on Class E to 20.3 cents per 100 pounds on first class, notwithstanding the fact the arbitraries themselves have been increased only by amounts varying from 2½ cents on Class E to 10½ cents on first class; also that the percentage relationships of the current proportions to the current arbitraries exceed as to all classes, except B and C, those as of December 1, 1892. This means that the lines north of St. Louis-East St. Louis are relatively better off as to divisions on this Texas traffic than they were in 1892 and this is due in part, though

not entirely, to the increases which were made in most of the base class rates, which are also the local rates, from St. Louis-East St. Louis in which to the extent of their percentage proportion the lines north participated. To illustrate, if the first class rate of $1.33 from St. Louis-East St. Louis to Texas Common Points had not been increased to $1.37 and then to $1.47 prior to General Order No. 28, but has remained in effect up to that time the present first class rate from Chicago to Texas Common Points would be $2.33 instead of $2.54 and the proportion for the lines north 46.6 cents instead of 50.8 cents as it is. What is true of the divisions via St. Louis-East St. Louis is also true of those via Kansas City, though the amounts of course, will differ. In other words, not only do the proportions accruing to the lines north of St. Louis-East St. Louis exceed the arbitraries over those points but they have actually shared in the increase of the local rates from those points to Texas Common Points (Tr. 4987-4988-4989).

[fol. 736] Since the preparation of this exhibit we have found that the scale of class rates in effect from St. Louis-East St. Louis immediately prior to the $1.37 scale was not the $1.33 scale to which I have referred but the following: Class 1, 130; 2, 113; 3, 97; 4, 90; 5, 70; A, 74; B, 65; C, 54; D, 43; E, 36. This scale, as is shown on page 266 of I. C. C. Reports, volume XI, became effective December 4, 1893, and is the scale which was increased March 15, 1903, to $1.37 first class, with corresponding increases in the other classes, instead of the $1.33 scale previously mentioned. To this $1.30 scale the same arbitrary scale, commencing with 20 cents first class, was added to make rates from Chicago out of which the lines north of East St. Louis-St. Louis received the same proportion of 20 per cent.

Had the comparison in my exhibit A-126 been drawn between the rates and divisions from Chicago to Texas Common Points via East St. Louis-St. Louis in effect December 4, 1893 or March 14, 1903 and those of December 1, 1925, the increase in revenue resulting to the lines north because of the subsequent increases in the local rates from East St. Louis-St. Louis to Texas would have been even greater than I have just recited. To illustrate under General Order 28, Ex Parte 74 and Reduced Rates 1922 the first class rate of

$1.30 from East St. Louis-St. Louis would have become $1.97½ and from Chicago $2.98, 20 per cent of which would have equalled 45.6 cents in place of the present proportion of 50.8 cents (Tr. 4989).

Turning now to the divisions themselves, it is evident since there were joint through rates in effect between Chicago and Milwaukee territories and points in Texas as early as 1888 that there must have been some basis for dividing them. The first official record, however, of any of the divisions is the publication by the Southwestern Railway & [fol. 737] Steamship Association, September 21, 1891, of a proportion of 25 per cent to the lines east of Kansas City on Chicago traffic; with authority shown as Chicago, St. Paul. & Kansas City (now Chicago Great Western) Division No. 314-B, Series B.

The next record we were able to find is contained in the printed proceedings of a meeting of the Southwestern Railway & Steamship Rate Committee held in October, 1892, at which a communication was read from Mr. S. P. Brown, Chairman, Chicago & St. Louis Traffic Association, stating the members of that organization were willing to accept 20 per cent north of East St. Louis on all classes, but that they felt it to be an injustice to impose the condition that local rates should be the maxima. The Milwaukee territory divisions via East St. Louis of 20 per cent on classes one, two and three and 22 per cent on the other classes were also reported at the same meeting as having been agreed to by the northern lines (Tr. 4990).

The first agency issue, containing these as well as divisions between other territories and Texas Common Points, including Houston and Galveston which we have been able to locate, is Southwestern Railway & Steamship Rate Committee Division Sheet No. 2 which became effective December 1, 1892. This publication contained class and a limited number of commodity divisions, all expressed cents per 100 pounds north and south of the interchange points but all predicated on a percentage basis shown at the foot of each page. The class divisions in so far as Chicago and Milwaukee territories were concerned applied between. The commodity divisions applied southbound only. Via East St. Louis, East Louisiana, East Hannibal and East Fort

Madison the lines north received on Chicago territory traffic [fol. 738] 20 per cent and on Milwaukee territory traffic 20 per cent on first, second and third classes and 22 per cent on other classes and commodities; via Cairo, Illinois, and Columbus, Kentucky, on Chicago territory traffic 22 per cent and on Milwaukee territory traffic 22 per cent on first, second and third classes and 24 per cent on other classes and commodities. Via Kansas City or St. Joseph the proportion to the lines east and north on both Chicago and Milwaukee territories traffic was 25 per cent. A division was also published via White City, Kansas, 135 miles west and south of Kansas City, presumably in connection with the Rock Island and M. K. & T., the lines east and north being allowed 25 per cent plus 5 cents per 100 pounds (Tr. 4991).

This same issue carried divisions between points in Iowa taking Chicago rates and Texas Common Points via St. Louis, Kansas City and Moberly, Missouri, the basis being 25 per cent on first, second and third classes and 19 per cent on the other classes and commodities, with, in the case of St. Louis, an addition of 5 cents per 100 pounds to or from points on and west of the Iowa Central (Now M. & St. L.) and in the case of Moberly a deduction of 5 cents per 100 pounds to or from points east of the Iowa Central. Points in Fox River territory, as it was then constituted, were taken care of by a provision that the lines south of the Mississippi and Missouri Rivers would receive the same proportions on business from Fox River District as they received on Milwaukee business. In all cases the lines east or north of the points of interchange with southwestern lines were limited to their local rates as maxima. No provision was made in Division Sheet No. 2 for divisions via Chicago, Illinois; Marshalltown, Des Moines or Council Bluffs, Iowa; or Omaha, Nebraska. These, as will be shown [fol. 739] later, came into existence because of competition among the Southwestern carriers. The divisions via East Fort Madison, Illinois, and upper Mississippi River crossings were, in my judgment, shown in the division sheet for the purpose of taking care of traffic from or to the then Central Traffic Association territory, the rates at that time dividing on a percentage basis which differed via the upper crossings from that via East St. Louis (Tr. 4992-4993).

Divisions via Omaha, Nebraska, first appeared in Southwestern Traffic Association Division Sheet No. 4, issued and effective November 27, 1894. The territorial description shows they were restricted to points in Iowa taking Chicago rates. On and west of then Iowa Central the lines east of Omaha received 20 per cent, the division via Kansas City being 25 per cent. From points taking Chicago rates east of the Iowa Central the proportions to the lines east via both Omaha and Kansas City were 25 per cent. In this same issue there appeared a provision which apparently paved the way for all of the subsequent divisions via Chicago. The lines operating via New Orleans published divisions either in arbitraries or per cents which had the effect of allowing the lines north of Chicago on business from Milwaukee, Wisconsin, or Milwaukee territory destined to Texas Common Points, including Houston and Galveston, 30 per cent of the current Milwaukee-East St. Louis proportions; the remainder of the through rates to be subdivided on basis of Chicago divisions (Tr. 4993).

Next came the publication in Supplement No. 2 to Division Sheet No. 4 effective January 1, 1895, of divisions via [fol. 740] Omaha on traffic from Chicago and points taking Chicago rates, the proportion to the lines east being 25 per cent, the same as via Kansas City. These divisions were cancelled in Supplement No. 5, effective February 23, 1895, but reappeared in Supplement No. 6 effective March 27, 1895, and were carried in Southwestern Traffic Association Division Sheet No. 5, which canceled Division Sheet No. 4 and became effective May 21, 1895 (Tr. 4993-4994).

During the period between 1895 and 1902 the committee issues do not reflect any material change in the divisions already in effect. There were some additions, however, notably the establishment of percentages on traffic from points on the Mississippi river Davenport-Rock Island to Quincy inclusive; also from points in Missouri north of the Missouri River which took St. Louis rates or higher. The proportions via St. Louis-East St. Louis, fixed at that time, were practically the same as are now in effect; via Kansas City, however, the then proportions accruing to the lines east and north were somewhat lower than now. The records of this time also show that more or less successful at-

tempts were made by the Southwestern Lines operating via lower Missouri river crossings only, to restrict the revenue to the lines east and north on traffic handled via Council Bluffs-Omaha to that which would accrue to the direct Kansas City lines, it being understood that the percentage allowance east of Omaha on business handled direct from Omaha to Texas by the Rock Island or Missouri Pacific would continue in effect and that a somewhat different basis established by the Kansas City Southern would not be affected (Tr. 4994).

The next important change came on August 20, 1902, [fol. 741] when one of the Southwestern lines operating from Kansas City gave individual notice of the establishment of a basis of divisions via that gateway which materially increased the proportions previously accruing to the lines east and north. The divisions on Chicago and Milwaukee territories' traffic were advanced from 25 to 30 per cent; on northern Iowa traffic from 25 to 27½ per cent; on Davenport, Rock Island, Moline, Muscatine, Burlington and Fort Madison traffic from 20 to 23½ per cent on Texas Common Points and 20 to 25 per cent on Houston and Galveston; and on Quincy and Keokuk traffic from 20 to 22 per cent on Texas common Point- and 20 to 23 per cent on Houston and Galveston. The increase in the divisions on Milwaukee territory traffic also resulted in an increase on Fox River territory traffic, the latter being determined by the addition of arbitraries to the Milwaukee proportion. Practically all of the Texas lines regardless of whether or no they reached the Missouri River immediately filed individual notices with the chairman of the then Southwestern Tariff Committee providing that the increased divisions set forth in the preceding paragraph would not apply on traffic, to, from or via their respective lines. But carrier competition soon forced the other Texas lines reaching Kansas City to make the increased divisions effective in connection with their respective lines and in September, 1903, the chairman issued circular No. 1773-C to that effect. The important lines in southern Texas, however, which did not reach the lower Missouri river crossings still refused to concur in the increased basis and continued to demand a proportion on the traffic they handled based on the divisions in effect prior to August 20, 1902 (Tr. 4995-6).

[fol. 742] Meanwhile the records of the Southwestern Tariff Committee of this and succeeding years show it was becoming more and more apparent to the member lines that divisional arrangements carried in individual issues were at variance with or included interchange points other than those carried in the committee division sheet. Accordingly a committee was appointed early in 1905 and various conferences were held in an endeavor to base all the divisions on Texas traffic with lines east of the Missouri river over St. Louis and Kansas City, cancelling those which had been made by individual lines via Chicago, Illinois, Marshaltown and Des Moines, Iowa, and so forth, and making the proportions to the lines east to or from Chicago and Milwaukee territories 25 per cent via Omaha and 30 per cent via Kansas City, these proportions to subdivide via interior Western Trunk Line interchange points on Omaha or Kansas City proper per cents (Tr. 4996).

Where I refer to division of rates north of St. Louis, I should always refer to St. Louis-East St. Louis. The effort was not successful and in Supplement No. 9 to Southwestern Tariff Committee Division Sheet No. 18, effective on various dates in May, 1905, the following divisions to the lines east or north appeared in a committee issue for the first time. Between all points on the C. & N. W.—C. M. & St. P. and Wisconsin Central Railways in Milwaukee territory and Texas Common Points or lower via Hannibal, East Hannibal and East Louisiana 27½ per cent. Between points on C. & N. W. and C. M. & St. P. Railways in Chicago and Milwaukee territories and Texas points via Council Bluffs or Omaha 30 per cent. Between all points in Milwaukee territory and Texas points via Chicago 15 per cent. Between all points on the C. & N. W. Railway in Illinois and Iowa, also points on the C. & N. W. in Mil- [fol. 743] waukee territory and Texas points via Marshalltown, Iowa, 22 per cent.

Since 1905 there have been no material changes in the divisions on Texas traffic and the divisions then in effect are, speaking generally, effective today. The Marshalltown divisions are in effect now. From certain territories there are junctions between Kansas City and St. Louis like Moberly, and I think the division sheets still carry some by Higby (Tr. 4997-4998).

My next exhibit No. A-127 and testimony in connection therewith deals with the additional revenue which is likely to accrue to lines east of the Missouri River by reason of increases in divisions on transcontinental and trans-Missouri traffic which became effective July 1, 1925. The estimate includes the increases to all lines east of the Missouri River, except that I have excluded increases which might accrue to the A. T. & S. F. Railway on its own transcontinental traffic. I can see no justification for restricting the increase to any particular group of lines. If the divisions east and west of the River were unjust and unreasonable, they were unjust and unreasonable for the A. T. & S. F., C. B. & Q., C. M. & St. P., and C. R. I. & P. Railways as east of Missouri River lines, just as much as any other lines. Because of the method employed there is a very wide difference between figures which I shall submit and those offered by Mr. Parsons (Tr. 4998).

Exhibit No. 227 submitted by Agent Toll of the Trans-Continental Freight Bureau at the hearing covering the transcontinental phase of I. C. C. Docket No. 15234 showed among other things the tons handled and revenue accruing [fol. 744] to the Western Trunk Lines east of the Missouri River on the one hand and to all of the lines west of the Missouri River on the other hand on carload freight, other than North Coast lumber, handled by the A. T. & S. F. Railway, Southern Pacific Company (Pacific System), Union Pacific System and Western Pacific Railroad originating or terminating in Pacific Coast territory and moved via Missouri River gateways to and from points east thereof in Western Trunk Line territory or beyond. The period covered was March, June, September and December, 1923, these months being regarded as representative of the other two thirds of the year. In the individual statements from which Mr. Toll compiled his exhibit none of the four transcontinental lines named included any traffic originating or terminating on any of the other three roads. Consequently there was no duplication of movement from which it follows that a fairly accurate estimate, based upon the figures in Mr. Toll's exhibit can be made of the increased revenue accruing to the Western Trunk Lines east of the Missouri River on this particular traffic by reason of the increased divisions (Tr. 4999).

Exhibit No. A-127 which I will now introduce is a duplication of that part of Mr. Toll's Exhibit No. 227 necessary to this computation. The last column shows the increased revenue to Western Trunk Lines east of Missouri River resulting from the increase in divisions on trans-continental traffic. The total for the four months period, excluding the increase on traffic handled by the A. T. & S. F. Railway both east and west of the Missouri River was $700,226.00. Assuming the same relative volume of traffic for the other eight months of the year the annual increase on Pacific Coast traffic, other than North Coast lumber, handled by the four-trans-continental lines in question would amount to $2,100,678.0. This figure does not include [fol. 745] the increase on less than carload traffic, of which there is a considerable volume westbound nor does it take into account the loss in revenue to Western Trunk Lines east of the Missouri River on North Coast lumber delivered by the Union Pacific at Missouri River gateways. Figures submitted at various conferences of the Trans-Continental Lines indicate that the increase on less than carload traffic would just about offset the loss on Union Pacific lumber. There has been no appreciable change in the rates on or in the volume of trans-continental traffic since these figures were made in 1923 from which it follows this estimate may safely be applied to current business. That is via the Missouri River. I have only dealt with that so far (Tr. 4999-5000).

No figures were put into the record upon which to base an estimate of the increase in revenue accruing to Western Trunk Lines on trans-continental traffic interchanged with the Great Northern, Northern Pacific and Chicago, Milwaukee & St. Paul. Statements, however, of traffic executives of the North Coast lines both before and subsequent to the hearing upon the trans-continental phase of I. C. C. Docket No. 15234 make it certain increased revenue has resulted to the Western Trunk lines as a whole by reason of the increase in the general basis per cents notwithstanding the fact there has been a loss of revenue on the lumber traffic due to the application of such per cents thereto. What the increase has amounted to in dollars I cannot say. No testimony was offered or exhibits submitted in the

Trans-Missouri phase of I. C. C. Docket No. 15234. Consequently there has not been the same opportunity to make [fol. 746] an estimate based upon the aggregate of the traffic interchanged during a certain period as existed in the case of trans-continental traffic. I have been able, however, to obtain from the A. T. & S. F. Railway, C. R. I. & P. Railway, Missouri Pacific Railroad and Union Pacific Railroad estimates, prepared by the accounting and traffic departments, of the annual loss to those lines west of the Missouri River on Trans-Missouri traffic interchanged with lines other than their own east of the Missouri River. Based upon these estimates I believe the annual increase in revenue to the lines east of the Missouri River on Trans-Missouri traffic will amount to not less than $1,000,000.00, making the total annual increase resulting from divisions already in effect $3,100,000.00 (Tr. 5001-5002).

The Western Trunk Lines east of the Missouri River are put to no additional expense by reason of this increase. It is an addition to their net railway operating income; that is to their net operating revenue after taxes, uncollectible revenues and equipment and joint facility rents have been deducted. Conversely it is of course an actual loss in net railway operating income to the lines west of the Missouri River (Tr. 5002).

(The statement referred to by the witness was thereupon received in evidence as Exhibit A-127.)

[fol. 747] The statement with respect to the Trans-Missouri estimate would not represent the net loss for the A. T. & S. F. We would have some pick-up, but it would not anywhere near equal our loss. The Rock Island would have some pick-up too, and the Missouri Pacific some pick-up, but in each instance the pick-up would not equal the loss. The Union Pacific of course would have no pick-up at all and I might add that presumably there was some transfer of revenue for the account of such lines as the C. B. & Q. and the C. & N. W. which I have not been able to estimate or get any figures.

Exhibit No. A-128 consisting of one page is a statement showing the average density of population per square mile and per mile of line as of 1920 for the five Western Trunk

Line states, the four purely Southwestern states and the six states south and west of the Missouri River from, to or through which southwestern and particularly Texas traffic and Louisiana traffic which divides on the Texas divisions flows. In all of my exhibits dealing with density I have not included the Dakotas in Western Trunk Line territory. This for the reason they have no proper place in this proceeding. There is, speaking generally, no basis of class and miscellaneous commodity rates between points in these states and the southwestern states. The divisions upon such traffic as moves have been made from time to time by special agreement between the carriers as the rates have gone into effect and in nearly all instances the rates deal only with specific commodities. The volume of traffic moving between either North or South Dakota and the States of Arkansas, Oklahoma, Louisiana and Texas is infinitesimal as compared with the entire movement. In proof of this statement I submit the fact that out of the [fol. 748] total movement of 12,731 cars for June, 1924, as shown by witness Balch's Exhibits A-41 to A-49, both inclusive, there were just two cars shown for both of the Dakotas. Because of the difficulty of accurately segregating the population in Missouri between the Western Trunk and Southwestern lines that state has been included in both the first and last groups as just described. Since the density of population is unquestionably greater in that portion of the state served by Western Trunk Lines than it is in the Southwestern lines portion the failure to segregate works somewhat to the advantage of the former (Tr. 5003-5004).

In this and exhibits which follow dealing with density figures of either population or traffic, only the total average density figures for the states by groups will be commented upon. I do not believe you can fairly separate one state from the rest. The divisions on the traffic from, to or through all of the Western Trunk Line states is involved and in its movement via Kansas City two and sometimes three of the W. T. L. states other than that of origin or destination are traversed. For instance, traffic between Wisconsin and the southwest moves in large volume through Illinois, Iowa and Missouri; Illinois and beyond traffic

through Iowa and Missouri; Iowa traffic interchanged at the St. Louis-East St. Louis gateway through Missouri and frequently through Illinois; and Wisconsin traffic interchanged at the St. Louis-East St. Louis gateway almost entirely through Illinois (Tr. 5004-5005).

Certainly the Western Trunk Lines states cannot be considered aside and apart from Illinois unless the divisions on traffic from, to and beyond that state are to be dealt with separately on the basis of its density alone. A check of Mr. Balch's Exhibits A-41 to 49 inclusive shows that based upon carloads handled 40.16 per cent of all the traffic interchanged [fol. 749] with Southwestern lines originated or terminated in Illinois. This is nearly double the total for all of the other Western Trunk Line states combined. To this should also be added 36.67 per cent of Illinois-beyond traffic, that is traffic from or to points in Official Classification territory, making a total of 76.83 per cent of all of the traffic interchanged during the month of June, 1924, as shown by Mr. Balch's exhibits. That is either to, from or through Illinois (Tr. 5005-5006).

(The statement referred to by the witness was thereupon received in evidence as Exhibit A-128.)

[fol. 750] Speaking now specifically of my Exhibit A-128 it will be noted the average density of population of the Western Trunk Line states is 229.8 per cent per square mile and 119.2 per cent per mile of line of that of the Southwestern states and 205.6 per cent per square mile and 120.7 per cent per mile of line of that of the states through and from or to which Southwestern traffic flows (Tr. 5006).

Exhibit No. A-129 consisting of four pages shows the freight traffic density by states and groups of states, page one covering the calendar year 1922; page two, 1923; page three, 1924; and page four a recapitulation of the totals or averages by groups of states for the three years named. There are a few corrections which I wish to call attention to not because they really affect the figures with which I shall deal but because somebody might find them and say there was something wrong with the exhibit. On page two in the last column in the last block the average tons one mile per mile of line should be $830,108.00 instead of $830,345.00. Now that would have the effect of just raising the ratio

which is shown immediately below there 186.8 per cent to 186.9 per cent. On page 3 in the last column tons one mile per mile of line in the first block opposite Missouri that should read one million five hundred and forty-five thousand five hundred and thirty eight instead of one million five hundred and forty four thousand nine hundred and sixty two. That of course has no effect on the average. And on page 4 in the last column in the tons one mile per mile of line, last block, for the year 1923, it should read $830,108.00 instead of $830,345.00. Mr. Press' figures would figure it for individual lines and mine are density figures for the states. He dealt with certain lines in certain states and included lines that extended beyond those states of course (Tr. 5006-5007).

[fol. 751] Attorneys Muckley and Roberts here explained that Exhibit A-129 showed the traffic density in the states themselves, whereas Mr. Press' figures showed the density for the lines of the entire systems of railroad which he dealt with (Tr. 5008).

(The statement referred to by the witness was thereupon received in evidence as Exhibit A-129, which said exhibit is in words and figures as follows:)

[fol. 752] EXHIBIT No. A-129

Witness: Dana

Page 1

I. C. C. Docket No. 15234

Statement of Freight Traffic Density by States and Groups of States for Calendar Year 1922

States	Average mileage operated, single track	Number of tons carried one mile	Tons one mile per mile of line
Western Trunk Line States			
Illinois	8,726.62	21,186,976,361	2,427,856
Iowa	10,087.97	9,264,552,986	918,376
Missouri x	3,477.02	5,004,160,594	1,439,210
Nor. Michigan	1,547.20	1,014,603,024	655,767
Wisconsin	7,127.43	7,457,308,084	1,046,283
Minnesota ø	5,641.18	5,717,585,291	1,013,544
Total or Average	36,607.42	49,645,186,340	1,356,151
Southwestern States			
Arkansas	3,993.57	3,494,525,623	875,038
Oklahoma	6,338.52	4,411,226,387	695,939
Louisiana	3,678.04	2,564,735,075	697,310
Texas	14,473.12	9,004,934,199	622,183
Total or Average	28,483.25	19,475,421,284	683,750

Average density of Western Trunk Line states 198.3% of that of Southwestern States.

States South and West of Missouri River			
Missouri x	4,260.88	3,852,944,237	904,260
Kansas	9,163.88	7,342,512,587	801,245
Arkansas	3,993.57	3,494,525,623	875,038
Oklahoma	6,338.52	4,411,226,387	695,939
Louisiana	3,678.04	2,564,735,075	697,310
Texas	14,473.12	9,004,934,199	622,183
Total or Average	41,908.01	30,670,878,108	731,862

Average density of Western Trunk Line States 185.3% of that of states thru and from or to which Southwestern traffic flows.

x Segregation of lines in Missouri same as shown in Witness Parsons' Exhibit A-39.

ø Great Northern added to Minnesota lines as shown in Witness Parsons' Exhibit A-39.

[fol. 753] EXHIBIT No. A-129

Page 2

Witness: Dana

I. C. C. Docket No. 15234

Statement of Freight Traffic Density by States and Groups of States for Calendar Year 1923

States	Average mileage operated, single track	Number of tons carried one mile	Tons one mile per mile of line
Western Trunk Line States			
Illinois	8,715.51	24,275,927,106	2,785,371
Iowa	10,083.91	10,267,046,394	1,018,161
Missouri x	3,475.00	5,350,838,768	1,539,810
Nor. Michigan	1,542.09	1,279,195,541	829,521
Wisconsin	7,162.56	8,853,214,288	1,236,041
Minnesota ø	5,640.96	6,787,342,056	1,203,225
Total or Average	36,620.03	56,813,564,153	1,551,434
Southwestern States			
Arkansas	4,295.77	4,494,510,599	1,046,264
Oklahoma	6,272.93	4,938,174,316	787,220
Louisiana	3,557.79	2,906,436,109	816,922
Texas	14,609.94	10,125,271,725	693,040
Total or Average	28,736.43	22,464,392,749	781,739

Average density of Western Trunk Line states 198.5% of that of Southwestern States.

States South and West of Missouri River			
Missouri x	4,300.91	4,695,320,766	1,091,704
Kansas	9,239.86	7,934,945,641	858,773
Arkansas	4,295.77	4,494,510,599	1,046,264
Oklahoma	6,272.93	4,938,174,316	787,220
Louisiana	3,557.79	2,906,436,109	816,922
Texas	14,609.94	10,125,271,725	693,040
Total or Average	42,277.20	35,094,659,156	830,108

Average density of Western Trunk Line States 186.9% of that of states thru and from or to which Southwestern traffic flows.

x Segregation of lines in Missouri same as shown in Witness Parsons' Exhibit A-39.

ø Great Northern added to Minnesota lines as shown in Witness Parsons' Exhibit A-39.

[fol. 754] EXHIBIT No. A-129

Page 3

Witness: Dana

I. C. C. Docket No. 15234

Statement of Freight Traffic Density by States and Groups of States for Calendar Year 1924

States	Average mileage operated, single track	Number of tons carried one mile	Tons one mile per mile of line
Western Trunk Line States			
Illinois	8,714.58	22,142,730,040	2,540,883
Iowa	10,088.51	9,813,304,431	972,721
Missouri x	3,475.52	5,371,546,537	1,545,538
Nor. Michigan	1,666.47	1,173,016,727	703,893
Wisconsin	7,159.90	7,931,591,171	1,107,780
Minnesota ø	5,290.59	4,985,464,444	942,327
Total or Average	36,395.57	51,417,653,350	1,412,745
Southwestern States			
Arkansas	4,294.06	4,479,790,911	1,043,253
Oklahoma	6,233.17	5,466,771,016	877,045
Louisiana	3,681.02	3,360,983,798	913,058
Texas	14,538.32	11,806,290,758	812,081
Total or Average	28,746.57	25,113,836,483	873,629

Average density of Western Trunk Line states 161.7% of that of Southwestern States.

States South and West of Missouri River			
Missouri x	4,269.68	4,886,467,023	1,144,458
Kansas	9,311.55	8,793,064,406	944,308
Arkansas	4,294.06	4,479,790,911	1,043,253
Oklahoma	6,233.17	5,466,771,016	877,045
Louisiana	3,681.02	3,360,983,798	913,058
Texas	14,538.32	11,806,290,758	812,081
Total or Average	42,327.90	38,793,367,912	916,496

Average density of Western Trunk Line States 154.1% of that of states thru and from or to which Southwestern traffic flows.

x Segregation of lines in Missouri same as shown in Witness Parsons' Exhibit A-39.

ø Great Northern added to Minnesota lines as shown in Witness Parsons' Exhibit A-39.

[fol. 755] EXHIBIT No. A-129

Page 4

Witness: Dana

I. C. C. Docket No. 15234

Recapitulation of Statements of Freight Traffic Density by Groups of States for Calendar Years 1922, 1923, and 1924

Years	Average mileage operated, single track	Number of tons carried one mile	Tons one mile per mile of line
Western Trunk Line States			
1922	36,607.42	49,645,186,340	1,356,151
1923	36,620.03	56,813,564,153	1,551,434
1924	36,395.57	51,417,653,350	1,412,745
Total or Average	109,623.02	157,876,403,843	1,440,176
Southwestern States			
1922	28,483.25	19,475,421,284	683,750
1923	28,736.43	22,464,392,749	781,739
1924	28,746.57	25,113,836,483	873,629
Total or Average	85,966.25	67,053,650,516	780,000

Average density of Western Trunk Line states 184.6% of that of Southwestern States.

States South and West of Missouri River			
1922	41,908.01	30,670,878,108	731,862
1923	42,277.20	35,094,659,156	830,108
1924	42,327.90	38,793,367,912	916,496
Total or Average	126,513.11	104,558,905,176	826,467

Average density of Western Trunk Line States 174.3% of that of states thru and from or to which Southwestern traffic flows.

Authority for basic figures—Statements Freight and Passenger Traffic Density, Calendar Years 1922, 1923 and 1924, Class One Roads—Western District, prepared by Statistical Bureau—Western Lines.

[fol. 756] The segregation of lines in Missouri as between Western Trunk and Southwestern Lines is the same as shown in Witness Parsons' Exhibit A-39. I think this results somewhat to the advantage of the Western Trunk Lines but I must admit from the figures available it would be difficult to make a fairer division. The Great Northern has been added to the Minnesota Lines as shown in Exhibit A-39 for the reason that there are joint through rates both class and commodity between a number of Minnesota points on the Great Northern and Northern Pacific in view of which it seemed but fair to include one of these lines. Consideration of the divisions of joint rates between respective groups of carriers and the just and reasonable determination thereof should, since they are likely to remain in effect for some time, be predicated, as far as possible, upon the average results of a period of years rather than upon the showing for any one year. Page four of this exhibit shows the totals or averages for the Western Trunk Line states, Southwestern states and states south and west of the Missouri River for 1922, 1923 and 1924 the only years for which these figures are available. It will be noted the average freight traffic density of the Western Trunk Line states for these three years was 184.6 per cent of that of the Southwestern States and 174.3 per cent of that of the states through and from or to which the southwestern traffic flows (Tr. 5008-5009).

The following is quoted verbatim from the transcript of the testimony:

Exam. Disque: Now very little of this business comes from or goes to or goes through Michigan or Wisconsin or Minnesota. Let's average Illinois, Iowa and Missouri and compare that density with the Southwestern density.

Mr. Larimore: 76 per cent of this traffic goes through Illinois.

[fol. 757] Exam. Disque: Some of that is eastern traffic not involved but that is true, also goes through Iowa, some of that business, and Missouri.

By Mr. Muckley:

Q. Will you make up those figures and submit it tomorrow, Mr. Dana?
A. Yes (Tr. 5009).

The segregation is just as Mr. Parsons made it in Exhibit A-39 and what he included as I recall it was, he put the Missouri Pacific in the territory north of the Missouri River and he put the Rock Island in the territory south of the Missouri River, that is my recollection of the description that he made. When I came to list the Southwestern states, I included the south half of Missouri. I think it would be proper to include Missouri, at least half of it in the middle column on the exhibit, along with Arkansas, Louisiana, and Texas, but that did not occur to me. What I was really basing my figures on was the states, to, from or through which the traffic flowed. The south half of Missouri is included in the third column. The state density is all the Western Trunk Line density. These figures are made up from Class 1 railroads in the Western District by Mr. L. E. Wetling, statistician for the Western Lines. It includes no density for the B. & O., Pennsylvania or any other Eastern roads. The density of the Missouri Pacific and Cotton Belt in Illinois is included in the Illinois figures. All of the lines shown by Mr. Wetling in the statistics which he prepares each year are included (Tr. 5010-5011-5012).

There followed a discussion as to the proper method of preparing the traffic density statement. Attorney Muckley then said that he would like to have it the way the examiner suggested, that is, to show the density of Illinois, Iowa and Missouri compared with the four Southwestern states (Tr. 5012-5013).

[fol. 758] Exhibit No. A-130, consisting of two pages shows the population, railroad mileage, and density of population per mile of railroad 1st. In the five Western Trunk Line states east of the Missouri River. 2nd. The four Southwestern states involved in this proceeding, and 3rd. The states south and west of the Missouri River to, from or through which southwestern traffic moves (Tr. 5013).

Page 1 compares the density of population per mile of railroad in 1920 with that of 1880. Referring to the last three columns it will be noted the average density in each of the three groups of states was greater in 1880 than in 1920, and that the Southwestern states considered alone or the states south and west of the Missouri River as a whole had a considerably greater density of population per mile of railroad in 1880 than had the Western Trunk Line states. That is, based upon average density of population per mile of railroad each group of states was better off in 1880 than in 1920, and the Southwestern states or the states south and west of the Missouri River were much better off than the Western Trunk Line group. But even on this page it will be noted that the decrease of density of population per mile of railroad for the Western Trunk Line states was very considerably less than the decrease for either of the four southwestern states shown, or for the Southwestern states from, to or through which the traffic flowed. The average percentage of decrease for the four Western States being 48.4 per cent and for the Southwestern states and other states from, to or through which the traffic moved, 37.4 per cent. In 1920, however, we find the situation reversed. The average density in the Western Trunk Line group is considerably greater than in either the Southwestern group or the group south and west of the Missouri River. In other words, the growth of popula- [fol. 759] tion in the Western Trunk Line states has practically kept pace with the increase in railroad mileage, there being an average decrease in the density of population in these states in 1920 as compared with 1880 of but 2.9 per cent (Tr. 5014-5015).

Page 2 shows a comparison for the same groups of states 1920 versus 1900. Referring again to the last three columns it will be noted the Western Trunk Line states had an actual increase in average density, the per cent of increase 1920 over 1900 being 7.3 per cent. In other words, the growth of population during this period was relatively greater than railroad construction. In the Southwestern states or the states south and west of the Missouri river the increase in railroad construction still exceeded the growth in population, the average decrease in density of

population 1920 versus 1900 being 13.4 per cent in the Southwestern states and 4.3 per cent in the states south and west of the Missouri River. Speaking generally, page 2 of this exhibit shows that the point of railroad saturation in the Western Trunk Line states has been reached. The future growth of population in the territory east of the Missouri River is quite certain to exceed railway construction with the result that the Western Trunk Line states will have a constantly increasing density of population per mile of line. On the other hand, the states south and west of the Missouri River are in part or in whole still in the pioneer or development stage. This is particularly true in the western parts of the states of Kansas, Oklahoma and Texas in which additional railway mileage is likely to be constructed as the necessity arises and conditions warrant for many years to come. In proof of this I need but add [fol. 760] that since 1920 the Santa Fe alone has constructed and placed in service 217 miles of main and branch lines in the states of Kansas and Oklahoma and 63 miles in western Texas, and that there are now before the Interstate Commerce Commission applications by this and other companies which contemplate the construction of 420 additonal miles of main and branch lines the major part of which will be located in western Texas (Tr. 5015-5016).

Since the last group of states on both pages 1 and 2 of the exhibit is intended to include only southwestern states to and from or through which southwestern traffic moves it would, in my opinion, be more representative if Nebraska were omitted. Nebraska is not a southwestern state and only a small part of the traffic involved is handled within its boundaries. With its omission the average per cent of increase in population in this group (see page 1), 1920 versus 1880, would fall from 131.8 to 128.1 and the average per cent of increase in railroad mileage, 1920 versus 1880, would rise from 270.5 to 278.5; the result being that the average per cent of decrease in density of population per mile of railroad, 1920 versus 1880, as shown at the foot of the last column would be 39.7 per cent instead of 37.4 per cent. The omission of Nebraska from the last group on page 2 would raise the average per cent of increase in

population for this group, 1920 versus 1900, from 37.3 to 38.8; the average per cent of increase in railroad mileage, 1920 versus 1900, from 43.4 to 49.3 with the result that the average per cent of decrease in density of population per mile of railroad, 1920 as compared with 1900 would be 7.0 instead of 4.3 as shown at the foot of the last column (Tr. 5016-5017).

(The statement described by the witness was thereupon received as Exhibit A-130.)

[fol. 761] Exhibit No. A-131 consisting of five pages contains agricultural and live stock statistics by states and groups of states for the average of the five years 1919 to 1923 inclusive, also 1924 and 1925. The information was secured from the Year Books, Monthly Supplements and Bulletins of United States Department of Agriculture, the revised figures being used whenever available. Page one, two and three show the acreage and production of corn, oats and wheat respectively in the same five Western Trunk Line states and four Southwestern states with Kansas added which have been referred to in previous exhibits. These three grains were selected because they are common to and produces in considerable quantities in both groups of states and consequently afford a basis of comparison between the two groups as to productivity and tonnage (Tr. 5017).

Confining our attention to the totals or averages for the respective groups it will be noted that for each period the average production per acre in bushels of each grain was not only greater but, with the exception of wheat, considerably greater in the Western Trunk Line than in the Southwestern group. The total number of acres harvested, total production in tons (using the standard weight per bushel of 56 pounds for corn, 32 pounds for oats and 60 pounds for wheat) and the total average production per acre in pounds of corn, oats and wheat in each of the two groups of states for the respective periods were: 1919 to 1923 inclusive, Western Trunk Line group 59,801,800 acres harvested which produced 46,676,143 tons, the total average production per acre being 1,561 pounds. Southwestern group 37,989,400 acres harvested which produced 18,477,887 tons, the total

average production per acre being 972 pounds. 1924, Western Trunk Line group, 58,408,000 acres harvested which produced 41,653,736 tons, the total average production per acre being 1,426 pounds.

[fol. 762] Southwestern group 35,261,000 acres harvested which produced 17,467,316 tons, the total average production per acre being 991 pounds. 1925, Western Trunk Line group, 60,448,000 acres harvested which produced 52,382,590 tons, the total average production per acre being 1,733 pounds. Southwestern group, 32,699,000 acres harvested which produced 10,263,744 tons, the total average production per acre being 628 pounds (Tr. 5018-5019).

An analysis of these figures shows that for the five year average period the Southwestern states produced but 39.6 per cent of the Western Trunk Lines states tonnage on 63.5 per cent of the Western Trunk Lines states acreage; that in 1924 the Southwestern states produced but 41.9 per cent of the Western Trunk Line states tonnage on 60.4 per cent of the Western Trunk Line states acreage; and that in 1925 the Southwestern states produced but 19.6 per cent of the Western Trunk Line states tonnage on 54.1 per cent of the Western Trunk Line states acreage. The best relative showing made by the Southwestern states was in 1924 but even in this year the total average production per acre in the Southwestern states was 435 pounds less than that in the Western Trunk Line states while in 1925 the total average production per acre in the Southwestern states was 1,105 pounds less than in the Western Trunk Line states. That shows the relative ability of the two territories to produce traffic on the same amount of land devoted to the same crop (Tr. 5019).

Page four shows the acres harvested, production of lint cotton and of cottonseed in the four southwestern states of Arkansas, Oklahoma, Louisiana and Texas. The production of cottonseed in 1925 was not available at the time this [fol. 763] exhibit was prepared. Since cotton is not produced in any appreciable quantity in the Western Trunk Line states, no comparisons can be drawn. The significance of this page of the exhibit lies in the fact that while it is an important crop in the southwestern states, it is not, because of the low average yield in pounds per acre, the high cost

of handling, and the light loading per car, as desirable traffic for the carriers as grain. It is true the rates are high, but they are upon an any quantity basis and the movement from the country station to the compress is always a less than carload one. Moreover, the apparent rate is not always the net rate to the carriers since the cost of compression amounting to 18 cents per 100 pounds is ordinarily included therein. The carriers are required to load the cotton at the country station and either the section men are used or the shippers are paid for this service. The fire hazard, both on the platform at the country station and at the compress, is considerable. The average loading of cotton in carloads on the Santa Fe System Lines is approximately 22,000 pounds per car (Tr. 5020).

Based upon value alone, cotton ranks very high among the products of agriculture. It accounts for a very considerable part of the aggregate value of farm crops in Texas as shown on page one of Mr. Parsons' Exhibit A-40. However, the aggregate value of farm crops in any given state does not afford, considered by itself, any basis upon which to compute the tonnage available for transportation, neither does it afford a basis upon which the relative prosperity of the farmers in one state or section as compared with another state or section can be predicated. It is the net return to the farmer which counts, and the gross value alone gives no indication of this. Page five is devoted to live stock statistics by states and groups of states for the same periods as are covered by preceding pages of the exhibit. [fol. 764] The columns headed "Total number of head of live stock" and "Average number of head per square mile" are especially interesting. It will be noted that no matter whether you take the five year average period or 1924 or 1925 the total number of head of live stock in the four Western Trunk Line states was nearly double that in the four Southwestern states with Kansas added and that the average number of head per square mile in the Western Trunk Line states is nearly three times that in the five states south and west of the Missouri River. Using the five year average as a basis the only kind of livestock in which the Southwestern states predominated was cattle other than milk cows, but if the total number of head were expressed in

average number of head per square mile, the relationship would be Western Trunk group 29 head, Southwestern group 19.5 head. In short, this exhibit shows that based either upon agricultural products common to both territories or upon live stock there has not been, is not now and in my opinion never will be as much potential tonnage of this character in the Southwest as exists concurrently in the Western Trunk Line states east of the Missouri River (Tr. 5020-5021-5022).

(The statement described by the witness was thereupon received in evidence as Exhibit A-131.)

[fol. 765] I have reworked Exhibit A-129 as a result of suggestions made by the Examiner and Attorney Towner. We would like to introduce that exhibit as Exhibit No. A-129½ (Tr. 5023).

(The statement referred to by the witness was received in evidence as Exhibit A-129½, which said exhibit is in words and figures as follows:)

[fol. 766] EXHIBIT No. A-129½

Witness: Dana

Page No. 1

I. C. C. Docket No. 15234

Statement of Freight Traffic Density by States and Groups of States for Calendar Year 1922

States	Average mileage operated, single track	Number of tons carried one mile	Tons one mile per mile of line
Western Trunk Line States			
Illinois	8,726.62	21,186,976,361	2,427,856
Iowa	10,087.97	9,264,552,986	918,376
Missouri #	3,477.02	5,004,160,594	1,439,210
Total or Average	22,291.61	35,455,689,941	1,590,531
Southwestern States			
Missouri #	4,260.88	3,852,944,237	904,260
Arkansas	3,993.57	3,494,525,623	875,038
Oklahoma	6,338.52	4,411,226,387	695,939
Louisiana	3,678.04	2,564,735,075	697,310
Texas	14,473.12	9,004,934,199	622,183
Total Average	32,744.13	23,328,365,521	712,444

Average density of Western Trunk Line States 223.2% of that of Southwestern States.

#Segregation of lines in Missouri same as shown in witness Parsons' Exhibit A-39.

[fol. 767] EXHIBIT No. A-129½

Witness: Dana

Page No. 2

I. C. C. Docket No. 15234

Statement of Freight Traffic Density by States and Groups of States for Calendar Year 1923

States	Average mileage operated, single track	Number of tons carried one mile	Tons one mile per mile of line
Western Trunk Line States			
Illinois	8,715.51	24,275,927,106	2,785,371
Iowa	10,083.91	10,267,046,394	1,018,161
Missouri #	3,475.00	5,350,838,768	1,539,810
Total or Average	22,274.42	39,893,812,268	1,791,015
Southwestern States			
Missouri #	4,300.91	4,695,320,766	1,091,704
Arkansas	4,295.77	4,494,510,599	1,046,264
Oklahoma	6,272.93	4,938,174,316	787,220
Louisiana	3,557.79	2,906,436,109	816,922
Texas	14,609.94	10,125,271,725	693,040
Total or Average	33,037.34	27,159,713,515	822,091

Average density of Western Trunk Line States 217.9% of that of Southwestern States.

#Segregation of lines in Missouri same as shown in witness Parsons' Exhibit A-39.

[fol. 768] EXHIBIT No. A-129½

Witness: Dana

Page No. 3

I. C. C. Docket No. 15234

Statement of Freight Traffic Density by States and Groups of States for Calendar Year 1924

States	Average mileage operated, single track	Number of tons carried one mile	Tons one mile per mile of line
Western Trunk Line States			
Illinois	8,714.58	22,142,730,040	2,540,883
Iowa	10,088.51	9,813,304,431	972,721
Missouri #	3,475.52	5,371,546,537	1,545,538
Total or Average	22,278.61	37,327,581,008	1,675,489
Southwestern States			
Missouri #	4,269.68	4,886,467,023	1,144,458
Arkansas	4,294.06	4,479,790,911	1,043,253
Oklahoma	6,233.17	5,466,771,016	877,045
Louisiana	3,681.02	3,360,983,798	913,058
Texas	14,538.32	11,806,290,758	812,081
Total or Average	33,016.25	30,000,303,506	908,652

Average density of Western Trunk Line States 184.4% of that of Southwestern States.

#Segregation of lines in Missouri same as shown in witness Parsons' Exhibit A-39.

[fol. 769] EXHIBIT No. A-129½

Witness: Dana

Page No. 4

I. C. C. Docket No. 15234

Recapitulation of Statements of Freight Traffic Density by States and Groups of States for Calendar Years 1922, 1923, and 1924

Years	Average mileage operated, single track	Number of tons carried one mile	Tons one mile per mile of line
Western Trunk Line States			
1922	22,291.61	35,455,689,941	1,590,531
1923	23,274.42	39,893,812,268	1,791,015
1924	22,278.61	37,327,581,008	1,675,489
Total or Average	66,844.64	112,677,083,217	1,685,656
Southwestern States			
1922	32,744.13	23,328,365,521	712,444
1923	33,037.34	27,159,713,515	822,091
1924	33,016.25	30,000,303,506	908,652
Total or Average	98,797.72	80,488,382,542	814,679

Average density of Western Trunk Line States 206.9% of that of Southwestern States.

[fol. 770] This exhibit A-129½ has been prepared in accordance with the suggestion of the Examiner, and also of Mr. Towner, that is to say, we have figured the average tons one mile per mile of line for the Western Trunk Line States of Illinois, Iowa and Missouri north of the Missouri River as segregated in Mr. Parsons' Exhibit A-39 and added to the four Southwestern States the southern part of Missouri as segregated in Mr. Parsons' Exhibit A-39. It will be noted on page 4 of the exhibit, using the three years, that the average density of these three Western Trunk Line States is 206.9 per cent of that of the revised Southwestern States. That means over one hundred per cent greater (Tr. 5023-5024).

Exhibit A-132 consisting of one page contains statistics covering the manufacturing industry, the information being shown by states and groups of states for the census years 1904, 1914 and 1921. The purpose of this exhibit is to afford a comparison of the industrial strength of the Western Trunk Line states with that of the Southwestern states, the division of the joint rates to and from which are involved in this proceeding. Using the total or average figures for each group for the year 1921, that being the latest available at the time the exhibit was prepared, we find 1,258,261 persons engaged in industry in the five Western Trunk Line states or an average of four persons per square mile as compared with 271,714 persons engaged in industry in the four Southwestern States or an average of 63/100 person per square mile. In other words, as of the year 1921 there were, on the square mile basis, 6½ times as many persons engaged in industry in the Western Trunk Line group as in the Southwestern group (5024-5025).

For this same year the total salaries or wages paid in [fol. 771] the Western Trunk Line group amounted to $1,762,246,000.00 as compared with $311,643,000.00 in the Southwestern group and the annual average salary or wage in the former group was $1,400.54 as compared with $1,-146.58 in the latter group. There has been a slight improvement in the relative position of the Southwestern as compared with the Western Trunk Line group since 1904 but the disparity is so great that there is no possibility of there being any marked change in even the relative situation of the respective groups for very many years to come. Based upon the total number of persons engaged in industry in the two groups in 1921 and assuming that the number in the Western Trunk Line group will remain stationary, which is unlikely, and that, in the Southwestern group, the percentage of increase for each 17 year period following 1921 will be the same as 1921 over 1904, which the increase 1921 over 1914 clearly shows will not be the case, over 51 years would elapse before the Southwestern group, had the same number of persons engaged in industry as is shown for the Western Trunk Line group in 1921. Or, based upon the total persons engaged in industry per square mile in the respective groups in 1921 and again assuming

that the total number engaged in the Western Trunk Line states will remain stationary and that, in the Southwestern States, the percentage of increase in persons engaged per square mile for each 17 year period following 1921 will be the same as 1921 over 1904, approximately 68 years would elapse before the Southwestern group had the same average number of persons engaged in industry per square mile as had the Western Trunk Line group in 1921. This analysis clearly shows that there isn't the remotest possibility, within the lifetime of anyone engaged in this proceeding, of the Southwestern states reaching or even approaching the industrial strength of the Western Trunk Line states (Tr. 5025-5026).

(The statement described by the witness was thereupon received in evidence as Exhibit A-132.)

[fol. 772] Exhibit No. A-133 consisting of two pages compares the current basic divisions via Kansas City, applied to the average of the ten through class rates, with the result under a rate pro-rate using, as factors, the average of the ten class rates to and from that gateway. I have used the term "basic divisions" to describe the direct route divisions, these being the divisions which accord the lines north and east of the Missouri River the lowest proportions and therefore afford the best basis of comparison from the standpoint of the Western Trunk Lines. These divisions apply to class and general commodity traffic. They are not applicable upon lumber and a few other specific commodities (Tr. 5026).

The points of origin in Western Trunk Line territory east of the Missouri River were selected solely with the view of making the exhibit representative in every way of the territory and traffic involved. With the exception of Missouri the cities shown all have a population of 10,000 or more and are so situated as to cover practically each divisional group in each Western Trunk Line state. In Missouri I was forced to include some cities of less than 10,000 inhabitants in order to make a representative showing. Page 1 shows the current basic divisions of the average of the ten through class rates from each of the points of origin listed in column No. 1 to Dallas-Fort Worth, Texas and the divisions which would result on the basis of a rate

pro-rate over Kansas City, using the average of the ten class rates to and from that point as factors. Without going into details as to each individual division it will be noted at the foot of columns 4 and 5 that the average of the current basic divisions east and north of Kansas City are per cents, 29.36, and cents per 100 pounds, 43.53; while the average based on a rate pro-rate as shown at the foot of columns 10 and 11 are per cents, 30.5 and cents per 100 pounds, 44.86 (Tr. 5027).

[fol. 773] Page 2 shows similar information as to the divisions of the averages of the joint through ten class rates from the same points of origin to Texas Common Points to which the rates from Kansas City are higher than to Dallas-Fort Worth. Here it will be noted that the average of the current basic divisions for the lines east and north of Kansas City as shown at the foot of the columns 4 and 5 are per cents, 29.36, cents per 100 pounds 43.53 as compared with per cent 28.42 and cents per 100 pounds 41.81 on a rate prorate basis as shown at the foot of columns 10 and 11. In other words, based on these averages page 1 shows that a rate prorate would accord the lines east and north of Kansas City 1.14 per cent or 1.33 cents per 100 pounds more on northeastern Texas traffic than the current basic divisions but on the balance of Texas traffic as shown by page two they would lose on a rate prorate basis .94 per cent or 1.72 cents per 100 pounds (Tr. 5028).

On lumber, however, as will be shown by another witness, they receive considerably more than either one of these per cents would accord them and there are other class and general commodity divisions in effect as to which I shall testify later which accord the lines east and north of Kansas City greater divisions than either the basic divisions or the rate prorate basis (Tr. 5028).

(The statement described by the witness was thereupon received in evidence as Exhibit A-133.)

[fol. 774] Exhibit No. A-134 consisting of two pages compares the current divisions north of Chicago and north and east of Kansas City, as provided for in Item No. 245 of Southwestern Lines Division Sheet No. 40, copy of which is contained in Mr. Behrle's Exhibit A-5, with the local

rates from the same points or origin to Chicago or Kansas City. I think it may be in A-5, 6 or 7 (Tr. 5028-5029).

In this particular item all of the divisions break on Chicago. This item not only provides for a division of 15 per cent to the lines north of Chicago as shown in the caption of column 4, page one, and column 5, page two; but also for the compounding of the proportion north and east of Kansas City when the traffic is routed via and handled by one line to Chicago or Chicago junctions and thence via a different line to lower Missouri River gateways. This provision results in the compounded division of 40½ per cent which is shown in the caption of column 8, page one and column 9, page two.

The points of origin selected are fairly representative of the territory in Illinois and Wisconsin from which the route through Chicago junctions is a natural one and the commodities, the divisions of which are shown on page two, are those which move in considerable volume from the origins listed to destinations in Texas. Since the information available at the time this exhibit was prepared covered but one month's movement there are examples shown upon page two for which no specific shipment at the compounded division of 40½ per cent can be checked. An examination, however, of page 12 of Mr. Balch's Exhibit A-41 and computations based on the allocations of revenue south or west and north or east of Missouri River junction as shown in [fol. 775] the columns headed "Revenue as Divided" will prove conclusively that this compounded division is in actual and frequent use (Tr. 5029-5030).

Column 5, page one, shows the current proportions north of Chicago, expressed in cents per 100 pounds, of the average of the joint through ten class rates from the origins shown to Texas Common points. Column 6 shows the average of the local ten class rates from the same points of origin to Chicago. The average of these two columns are respectively 28.6 and 28.9 cents, which means that the average current division north of Chicago is equal to 98.9 per cent of the average of the local rates. The average current proportion south of Chicago is 121.4 cents as compared with the average of the ten class rates of 142.8 cents per 100 pounds, which means that the average current division

south of Chicago is but 85 per cent of the average of the local rates (Tr. 5030).

Column 9, page one, shows the current proportions north and east of Kansas City when routed via Chicago, the average being 65 cents per 100 pounds. The average of the local ten class rates from the same points of origin to Kansas City, using the higher averages from Freeport, Rockford, Beloit and Madison, is 58.5 cents per 100 pounds as shown at the foot of Column 10. This means the current compounded division of 40½ per cent plus arbitraries, if any, over Chicago or Milwaukee is equal to 111 per cent of the average of the ten local class rates to Kansas City. On the other hand the average current proportion south of Kansas City is 85 cents as compared with an average of 115.35 cents of the local class rates from Kansas City to Northeast Texas, and 127.6 cents to other Texas Common Points. In other words the average current proportion south of Kansas City is but 73.7 per cent of the average of the class rates Kansas City to Northeast Texas, and but 66.6 per cent of the average of the class rates Kan- [fol. 776] sas City to other Texas Common Points. Page two shows the current divisions north of Chicago and the compounded divisions north and east of Kanass City on 37 commodities from 19 points of origin. Column 8 shows that the current divisions north of Chicago exceed the local rates to Chicago in 24 and column 12 shows that the compounded divisions north of Kansas City exceed the local rates to Kansas City in 26 out of the 37 examples listed. On the other hand there is not a single instance in which the proportions south of Chicago or south of Kansas City even equals the local rates from those points (Tr. 5031).

The average of the current proportions north of Chicago, as shown at the foot of column 6 is 24.1 cents as compared with an average of the local rates to Chicago of 21.1 cents as shown at the foot of column 7. In other words the average current proportion north of Chicago is 114.2 per cent of the average local rate point of origin to Chicago. On the other hand, as may be computed from this exhibit, the average of the current commodity proportions south of Chicago is 110.9 cents as compared with an average of the commodity rates from Chicago to Texas Common Points of 131.4 cents. In other words, south of Chicago the aver-

age commodity proportion is but 84.4 per cent of the average commodity rate. The average of the compounded commodity proportions north and east of Kansas City, as shown at the foot of column 10, is 57.3 cents while the average of the local commodity rates from points of origin shown to Kansas City, as shown at the foot of column 11, is but 53.9 cents. In other words, the average of the compounded divisions north and east of Kansas City exceeds the average of the local rates to Kansas City by 3.4 cents per 100 pounds or 6.3 per cent (Tr. 5032).

[fol. 777] On the other hand, as may be computed from this exhibit, the average of the current proportions on these commodities south of Kansas City is 77.6 cents as compared with an average of the commodity rates from Kansas City of 104.7 cents to Northeast Texas and 115.3 cents to other Texas Common points. In other words, south of Kansas City the average commodity porportion is but 74.1 per cent of the average commodity rate to Northeast Texas and but 67.3 per cent of the average commodity rate to other Texas Common Points.

Summarizing the situation via both Chicago and Kansas City this exhibit and my testimony shows that, based on averages, the lines north and east of these Junctions receive in all instances proportions which are practically equal to or actually in excess of their local rates while the lines south and west receive proportions varying from 66.6 to 65 per cent of their local rates. It is true so far as the interchange via the junctions shown in this exhibit is concerned that item 35 of Southwestern Line's Division Sheet No. 40 limits lines either side of Chicago or Kansas City to their local or proportional rates if lower, as maximum allowances. But this division sheet has not been adopted by all of the lines north of Chicago or north and east of Kansas City and in actual practice, as can be demonstrated from Mr. Balch's Exhibit A-41, the lines north and east of the Missouri River are receiving in some instances more than their local rate (Tr. 5032-5033).

This would apply on all commodities as they moved. Mr. Balch's exhibit A-41 covered but the month of June, 1924. The provision of the division sheet which limited the proportions to the local rates; would be applicable to the movement of all the commodities, but the difficulty is that the

lines south and west of the Missouri River have not the local tariff of the lines north and east of the Missouri [fol. 778] River, or if they have in the Accounting Department, like most Accounting Departments which are overburdened with work, they don't check the division against the local rate, and the result is that in actual practice you will find by an examination of Mr. Balch's exhibit A-41 the lines north and east of Kansas City have in many instances received more in the allocation of the revenue than their local rate would accord them. Of course that means that the auditors have failed to take cognizance of the provision in the Division Sheet which limits the line, either side, to the local rate as maximum. As a practical matter it is difficult to maintain a current file of the local tariffs of these Western Trunk Lines and this provision of local rates as maxima, is one of the things which the Accounting Departments are continuously raising objection to; they say give us these percents and let the percent stand and don't make us go somewhere else, perhaps in a half dozen different tariffs in some other place and look for something which may subsequently be the proper and correct division. If a line which has adopted this division sheet should take revenue north of Kansas City in excess of its local rate that would be an auditing error. Of course, the lines south and west have no recourse against the lines which have failed to adopt Southwestern Lines Division Sheet 40 and where in that instance the lines north and east of Kansas City have taken more than their local rate based upon the percentage division as provided for in the division sheet, that excess in division over the local rate would stand in the final settlement.

I understand that there is one line and maybe more that would not accept the division sheet which limits the division to the local rate. I don't care to say what particular line or lines (Tr. 5034-5035-5036).

(The statement described by the witness was thereupon received in evidence as Exhibit A-134.)

[fol. 779] Exhibit A-135, consisting of two pages is similar in every way to Exhibit A-134, except that here the comparison of the current divisions with the local rates is made via Des Moines, Iowa (Tr. 5036).

The basic division shown in the caption of column 4, page one, and column 5, page 2, is carried in individual issues of the C. R. I. & P. and C. & N. W. Railways. I do not recall whether or no Mr. Behrle filed a copy of this divisional issue but it is a fact that the arrangement is in effect on southbound and possibly on northbound traffic. It applies between these two lines only when the C. R. I. & P. Railway receives a haul west of the Missouri River to a Texas destination or junction. The division north and east of Des Moines is exactly the same as obtains north and east of Kansas City via direct routes and its effect when the Chicago Great Western secures some of the traffic from the North Western at Des Moines, as is sometimes the case, is the compounding of divisions via that junction, provided the C. G. W. can persuade its connections south and west of Kansas City to join it is absorbing the C. & N. W. proportion. Column 7, page one, shows that current division north and east of Des Moines equals or exceeds the average of the local rates in all instances. The footings of columns 5 and 6 show respectively that the average of the current proportions is 50 cents as compared with an average of the local class rates, points of origin listed in column one to Des Moines of, using the higher average, 43.7 cents. In other words the average of the current proportions north and east of Des Moines, Iowa, out of the average of the joint through class rates equals 114.4 per cent of the average of the local class rates to Des Moines. The proportion of the lines south of Des Moines, as can be computed from [fol. 780] page one of the exhibit is in each instance 100 cents. The average of the ten class rates from Des Moines to Texas Common Points is 137.8 cents which means that the average proportion south of Des Moines is but 72.6 per cent of the average of the ten class rates south of Des Moines (Tr. 5037-5038).

Page 2 of the exhibit affords a comparison of the current divisions north and east of Des Moines on 37 representative commodities from 19 characteristic points of origin in Chicago, Milwaukee or Fox River territories with the local rates on the same commodities from the same points of origin to Des Moines. Referring to column 8, page 2, it will be noted the current division north and east of Des

Moines exceeds the local rate to that point in 22 out of the 37 examples shown. The proportions south of Des Moines can be computed from the figures shown on page 2. The corresponding local rates from Des Moines to Texas Common Points are not shown. They have been checked however by my office and it is a fact that only in no instance does the proportion south of Des Moines equal the local rate from that point to Texas Common Points but also that in each and every instance where the current proportion north and east of Des Moines is less than the local rate to Des Moines the proportion south of Des Moines is likewise less than the local rate from Des Moines and the ratio of the proportion to the local rate south is always lower than the ratio of the proportion north to the local rate north (Tr. 5038-5039).

The footings of columns 6 and 7, page 2, show respectively that the average of the current proportions is 43.6 cents as compared with an average of the local rates, origins to Des Moines of 41 cents. In other words the average of the current commodity proportions north and east of Des Moines equals 106.3 per cent of the average of the local commodity rates to Des Moines. On the other hand the [fol. 781] average of the current proportions south of Des Moines is 91.3 cents as compared with the average of the local commodity rates from Des Moines to Texas Common Points of 125.3 cents. In other words the average of the current proportions south of Des Moines is but 72.8 per cent of the average of local commodity rates south of Des Moines. Items 220, 240 and 320 of Southwestern Lines' Division Sheet No. 40 covering Chicago, Milwaukee and Fox River territory traffic respectively provide for exactly the same allowances to the lines east of Omaha and Council Bluffs as accrues to the lines north and east of Kansas City via the direct lines routes and Note 1 in connection with each of these items provides for further allowances to the lines handling the traffic between Omaha or Council Bluffs and Kansas City or other Southwest Missouri River crossings. The result is a compounded division North and east of Kansas City amounting to approximately 40½ per cent of the joint through rate to destination. There's also a division north and east of Marshalltown, affording the line 22 per cent, this basis being provided for in Item 220,

240 and 320 of Southwestern Lines Division Sheet No. 40 covering Chicago, Milwaukee and Fox River territory traffic respectively. South of Marshalltown and east of Missouri river crossings the lines are accorded certain arbitraries which are provided for in Note 1 of the same divisional issue. This results in a somewhat higher level of division north and east of Kansas City than the basic division of 30 per cent but will not equal the 40½ per cent compounded division which I have heretofore mentioned. All the lines do not observe the same division. That is limited as the caption shows to the route via Marshalltown Iowa, care C. G. W. via St. Joseph or Kansas City, Missouri.

[fol. 782] I think the division sheet is in the record in Mr. Behrle's exhibit A-5 (Tr. 5039-5040-5041).

(The statement described by the witness was thereupon received in evidence as Exhibit A-135.)

[fol. 783] Exhibit A-136 consisting of three pages is a draft upon each page of which is shown the equation of the average of the ten class rates south and west of Kansas City to the average of the ten class rates north and east of Kansas City which in each instance are equated on a basis of 100 per cent. Page one shows you will note at the upper right hand corner Chicago Group Points. Those are the points in Chicago and Northern Illinois taking Chicago rates and the Chicago basis of division and average distance of 428 miles which I have used is that shown on page 4 of this part of Exhibit A-77. The average distance of 514 miles to the average point or to an average point in Northeast Texas is that shown upon page 16 of Mr. Balch's Exhibit A-77 and the average distance of 713 miles to the average point in Texas Common Point Territory other than Northeast Texas is that shown upon page 18 of Mr. Balch's Exhibit A-77. It will be noted referring to page one that on an equated basis the average of the ten class rates to the Northeast Texas group is 165.7 per cent of the average of the ten class rates from Chicago to Kansas City, and that to the balance of Texas Common Point Territory the average of the ten class rates south and west of Kansas City equated to 428 miles is 132.2 per cent (Tr. 5041-5042).

On page 2 the average distance of 495 miles for the Milwaukee group points is that shown on page 5 of Mr. Balch's Exhibit A-77, these points also taking a Chicago basis of rates and the Chicago divisions through the Kansas City gateway. The distance of course for the average point in Northeast Texas and the average point in Texas Common Point Territory other than Northeast Texas remain constant throughout the Exhibit. Here it will be noted that the average of the ten class rates south and east of Kansas City to the average point in Northeast Texas is 191.7 per [fol. 784] cent on an equated basis, and that the average of the ten class rates to the average point in Texas Commen Point Territory other than Northeast Texas is 152.87 per cent on an equated basis.

Page 3 covers the so-called Peoria Group Points which also take the Chicago basis of rates and divisions, the average distance of 340 miles being that shown on page 5 of Mr. Balch's Exhibit A-77. Here it will be noted that the average of the ten class rates south and west of Kansas City to the average point in Northeast Texas is 149.2 per cent on an equated basis and average of the ten class rates to the average point in Texas Common Point Territory other than Northeast Texas 119 per cent on an equated basis. These three groups have been selected because the major portion of the traffic involved at this proceeding moves either from or to or through this particular territory. Unquestionably the larger portion of the traffic moves from or to the Chicago Group, and I think it may also be safely said that the second largest movement is from the Milwaukee Group and the third or the lowest from the Peoria Group. If you average the percentages shown on the three pages of this exhibit to the average point in Northeast Texas, you arrive at a percentage on an equated basis of 168.9 per cent for the lines for the rate south and west of Kansas City to the 100 per cent basis north and east of Kansas City; and if you average the percentages from those same three groups north and east of Kansas City to Texas Common Point Territory other than Northeast Texas, you arrive at an average of 134.69 per cent on the equated basis for the lines south and west of Kansas City. Mr. Behrle's Exhibit A-60 upon Page 1 showed the movement via Kansas City from all Western Trunk Line territory and to Northeast

Texas the aggregate movement was 22,881.7 tons or 56.8 [fol. 785] per cent and to the remainder of Texas Common Point Territory 17,414.8 tons or 43.2 per cent of the total movement for the month of June, 1924. Using this as a basis for arriving at a grand average equated percentage of the proportion south and west of Kansas City, using 56.8 per cent of 168.9 per cent or 43.2 per cent of 134.69 per cent, you arrive at a grand average on an equated basis of 154.1 per cent for the lines south and west of Kansas City. This is a weighted equated average. I should say that it is a way of saying that the rates south of Kansas City are 54 per cent higher than those north of Kansas City. The revenue figures per ton mile are shown on the next exhibit (Tr. 5042-5043-5044).

Now by using the figures shown in Mr. Bone's Exhibit No. A-120 and A-122 in which the traffic to and from Illinois is segregated and including the short line lumber traffic as shown in A-122, or rather including the revenue for those short lines, but adding nothing to the ton one mile, because they are not shown in the exhibit, you will arrive at a ratio Southwestern Lines to Western Trunk Lines on this Illinois traffic of 153 per cent as compared with average—weighted average on an equated basis of 154.1 per cent (Tr. 5044-5045).

The statement described by the witness was thereupon received as Exhibit A-136.)

[fol. 786] Exhibit No. A-137 consisting of one page is a recapitulation of total figures covering Louisiana and Texas traffic as shown on pages 1, 2 and 3 of Mr. Behrle's Exhibit A-60 and covers the total carload traffic which moved between points in Louisiana and Texas and points on the C. & A. Railroad, C. & E. I. Railway, C. G. W. Railroad, C., M. & St. P. Railway, C. & N. W. Railway, C., St. P. M. & O. Railway, I. C. Railroad, M. & St. L. Railway, and Wabash Railway in Illinois, Missouri, Iowa, Wisconsin and Minnesota via Kansas City, East St. Louis, Cairo, Gale and Thebes during the month of June, 1924. The purpose of this exhibit is to compare the revenue and service based on current divisions of these lines east and north with that of the lines south and west of the gateways shown, on the aggregate of the traffic to and from these two southwestern states. This, reduced to a ratio of ten mile revenue as ex-

pressed in column 11, shows that the per ton per mile revenue of the Southwestern Lines on the aggregate traffic handled during the month of June, 1924, was but 129.8 per cent of that of the Western Trunk Lines. In other words, the revenue of the Southwestern Lines in the aggregate is no more than would result under a constructive mileage prorate of 1.3 miles south to one mile north of the gateways. Considering the traffic in its entirety I believe we are entitled to more than that, certainly not less. I do not think the addition of L. C. L. traffic would materially change the figure. This is via all gateways. There is no oil shown from Louisiana through the Kansas City gateway. This shows all of Louisiana west of the Mississippi River and all of Texas common point territory. This exhibit means that the revenue was actually apportioned between the lines north and east of Kansas City and the lines south and west of Kansas City upon the basis of a constructive distance to the southwestern lines of one third of a mile in addition to each actual mile. We have shown, however, at least I [fol. 787] hope we have, that we are entitled to something over one and one-half miles south and west of Kansas City. Exhibit A-137 only includes traffic which was shown in Mr. Mehrle's exhibit A-60. I could not say whether Mr. Behrle included all of the lines which were respondent carriers (Tr. 5045-5046-5047).

The showing on this exhibit takes into account the difference in length of haul. I will refer to the various exhibits which have been put in. You will find that in the aggregate the average haul of the lines north and east of the Missouri River is not greatly different from the average haul on the lines south and west, or at least that the average haul of the lines north and east is sufficiently long to have passed in my opinion the point where the average cost of the haul becomes constant (Tr. 5047-5048).

The following is copied verbatim from the transcript of the testimony:

By Mr. Towner:

Q. In other words, following that out, if you will permit me, on this Exhibit A-137, Mr. Dana, your ton miles south of your gateways are approximately twice your ton miles north; it is your idea then that that difference in haul should

not have any effect upon the ton mile comparison that you have made?

Exam. Disque: In this particular Exhibit which covers Louisiana and Texas, the long haul point?

Q. (Continuing:) Now there you have two to one approximately; is it your idea that that should not be taken into consideration?

A. Well, I think that I would have to go through these exhibits themselves and find out just what the average haul was north and east and south and west of Kansas City on this traffic. My thought was this, that after you reach an [fol. 788] average haul of say three hundred miles, you would have then reached a point where the cost of the transportation becomes practically constant, no matter whether you haul it a thousand miles more or not.

Some people who make distance scales, work on the theory that if the haul is longer, the ton mile earnings should be less. If you carried that to its ultimate conclusion you would reach the vanishing point, where after you had gotten out a certain distance, there would never be anything added for the constantly increasing mileage. Speaking of the relationship in case of a haul 500 miles to a thousand miles, I would think that the haul of 500 miles would and probably should earn more per mile than the thousand mile haul. That should have some consideration in considering my exhibit A-137 (Tr. 5048-5049).

(The statement described by the witness was thereupon received in evidence as Exhibit A-137.)

[fol. 789] Now I have just a few comments to make with respect to page 5 of Mr. Parsons' Exhibit A-40. I don't know what significance in this proceeding this page has, in fact I think that Mr. Parsons explained that some of those exhibits were prepared for use in some other phase of I. C. C. Docket 15234, and possibly the lines east of the Missouri River and north of St. Louis have no intention of using this but I did not like to pass it without pointing out a few facts in connection with it, a few additional facts, because there are facts too, of course, on that page. The first block on page 5 is devoted to the production of crude petroleum in thousands of barrels of 42 gallons each. Now admittedly there is considerably more production of petro-

leum in the Southwestern States than there is in the Western Trunk Line States, in fact I know of no production in the Western Trunk Line States except in the State of Illinois, at least in considerable volume, but of course it is also a well known fact that crude petroleum does not move very extensively by rail. Most of the movement is by pipe line, in fact the Santa Fe Railway has all the way from the Mid-Continent field to Chicago and Whiting, Indiana, and the territory in the Chicago switching district, two pipe lines, one a subsidiary of the Standard Oil Company and the other of the Sinclair Refining Company, and of course all the oil that is used by those two concerns is handled through those two pipe lines. I meant that the Santa Fe had a pipe line parallel to its line. We don't own the pipe line (Tr. 5049-5050).

Then the next block covers the production of bituminous coal in thousands of net tons of 2,000 pounds. The only Southwestern States shown are Arkansas and Oklahoma. And I have examined the statistical abstract of the United [fol. 790] States for 1923, from which this information was taken and I find that the production of coal in Iowa, which is not regarded as any particularly large producing coal state, exceeded the production of Arkansas and Oklahoma for every one—and that is the combined production that I am speaking of in Arkansas and Oklahoma—for every one of the periods shown in page 5 of Mr. Parsons' Exhibit A-40 except 1921. In that year the Iowa production was 4,531,000 tons and the combined production of Arkansas and Oklahoma 4,931,000 tons. In each and every other period the Iowa production exceeded the combined production in Arkansas and Oklahoma. In Illinois, using the year 1923 as a basis, the production was 84,000,000 tons and the combined production Arkansas and Oklahoma 4,950,000 tons. In other words the Illinois bituminous coal production in that year was practically seventeen times as great as the combined production in Arkansas and Oklahoma. Texas produces some lignite, but not a great deal. It is an inferior quality of coal and is not extensively used (Tr. 5050-5051).

Now taking the total production of crude petroleum and assuming that every bit of it moved by rail, and of course that is far from being the truth, assuming 42 gallons to each barrel, and then 7¼ pounds per gallon, which is the esti-

mated weight for crude petroleum in Western territory, you would arrive at a tonnage of approximately 3,000,000 tons of crude petroleum as compared with 34,000,000 tons of bituminous coal produced in Illinois for the calendar year 1923. There is also shown a block of figures which deal with the production of portland cement in thousands of barrels. I found by examining the same source of information that Mr. Balch used, that with the exception of 1910 the Illinois production exceeded that of either Kansas or Texas, which are the two states shown on the exhibit, and [fol. 791] that since 1910 the production in Iowa is in excess of the production in Texas. The production in Missouri, most of which not all, is in the Western Trunk Line territory, is also in excess of the production in either Kansas or Texas for every period shown upon page 5 of Mr. Balch's Exhibit A-40 with the exception of 1900 and 1910. I can't say whether or not there is any production of cement at all in either Louisiana or Arkansas (Tr. 5051-5052).

The following is quoted verbatim from the transcript of the record:

By Mr. Outlaw:

Q. Mr. Dana, referring again to this average haul, concerning which you testified both north and south of the river, of the Missouri River, I believe you stated that after the traffic had moved in any territory three hundred miles or more the cost of handling becomes constant and the relative cost both sides of the river, might be considered somewhat similar?

A. I think that is true.

I think transportation conditions are a very important factor and should be given equal if not more weight than the length of the hauls in the two territories. I mean, of course, traffic density and everything that goes with that. I think they are of more importance than the question of any variation in length of haul one side of this territory with the other. In the case of the rate from Chicago to Little Rock, and from Chicago to Shreveport or Chicago to Dallas, or Chicago to San Antonio or Brownsville, I would rather expect to find the average ton mile earnings less than on the shorter hauls. That was taken into considera-

tion as I see it in my Exhibit A-136 which equated the average of the ten class rates west and south of Kansas City to the rates north and east.

[fol. 792] Now those rates were equated of course on the basis of the level of the ton mile earnings so that I have given no weight in that exhibit to the shorter hauls if any consideration should be given to them. I think the ton mile earnings probably are greater for the Little Rock haul than they would be for the Brownsville haul, although I have made no study of it. That would be what I would naturally expect to find. I think that would be all right assuming that the transportation conditions are the same and the density of traffic was the same. It is true that the rate comparisons in Exhibit A-136 will be rates through the two territories, that is, only rates to and from the gateways.

I think we are going to have some testimony with reference to the situation as to all the rates in Western Trunk Line territory and all the rates within the Southwestern Territory (Tr. 5053-4-5).

Of course I might add this to that Exhibit A-136: I only went as far north as the Milwaukee Group. From a large portion of the producing territory in the Fox River, the average of the ten class rates to the Missouri River is exactly the same as the average of the ten class rates from the Milwaukee group. That is you go as far north as Oshkosh or Marinette and you will find that those points take the Chicago basis of rates to the Missouri River (Tr. 5055).

Cross-examination:

The statement which Mr. Bone introduced as Exhibit A-122 did not refer solely to tap lines as I recall it. It referred to short lines. Now of course, there are included among those short lines other than those which take tap line divisions. At least that is my understanding. Just what those lines are, I can not say. I think Mr. Sickel or some subsequent witness can give you a list of the lines which are [fol. 793] used as short lines. If they were not all tap lines, it is probable that the divisions or allowances were not in all cases fixed by the Commission (Tr. 5056-5057).

Referring to my Exhibit A-126. As the divisions are made, there is no connection between the arbitraries referred to and the divisions of the through rates, but it has

been the contention of the Western Trunk Lines that if the lines in official classification territory were to base their rates in certain instances over some base point like Pittsburg from Johnstown, Pennsylvania, that the lines east of Chicago or east of the Mississippi River should be satisfied with a division which gave them no more in addition to the Pittsburg revenue than the arbitrary over Pittsburg. Now they don't do that, they try to take Baltimore revenue for instance. I think that the divisions north of St. Louis to the lines shown on Exhibit A-126 should exceed the arbitraries used in the construction of the through rates. The purpose of the exhibit of course, was to show that the lines north without any increase in the arbitrary had participated in the increase of the local rates south of St. Louis. The arbitrary is in addition to the local rate to St. Louis, in order to produce a through rate which is substantially less than the combination of the local rates to and from St. Louis. Of course the arbitrary is necessarily of some weight in determining the through rate. I think it has some value in determining the divisions of the through rate, but I would not say and I am not trying to say that all they are entitled to is their arbitrary (Tr. 5057-5058).

I estimated that the total revenue secured by the Western Trunk Lines out of the settlements that have already been made in Docket 15234 would be three million one hundred thousand dollars. My Exhibit A-127 accounts for about two million one hundred thousand dollars. The north coast [fol. 794] lumber handled by the Union Pacific through the Missouri River gateway was excluded. I think my testimony was to the effect that I thought the less than carload traffic, that is to say the increase to the Western Trunk Lines on less than carload traffic, which is not shown in the exhibit, would offset the Western Trunk Line's loss on the Union Pacific north coast lumber, which movement is not as heavy or anywhere near as heavy through Omaha as through the Minnesota transfer. I did not quite offset the increase in the merchandise percents through the twin cities by the decrease on the north coast lumber. In all the conferences which we had in an endeavor to reach a settlement prior to any hearing, two of the traffic executives of the north coast lines stated that on the average the revenues which accrued to the lines south and west or east as the

case may be of the transfer approximated 16¼ per cent including north coast lumber and that they were willing to go along with an agreement to settle on the basis of 16½ per cent because it only represented a loss to them as they figured it at least of approximately one quarter of one per cent on the aggregate traffic through the twin cities from the north coast. I figured roughly about one million dollar increase on the trans-Missouri settlement. This included the Oklahoma settlement so far as it was made. Of course I have no knowledge as to the Northwestern, nor the Burlington, because I had no figures for them. Perhaps I can best give an idea of the ratio of the pick-up to the lines east as compared with the loss to the lines west by using the Santa Fe, which I am not unwilling to do, although I promised all other lines I would not attempt to say how much their particular loss was. The settlement of course or rather the [fol. 795] agreement with respect to trans-Missouri divisions was not reached until after the settlement for the month of July, 1925, had been made. Our Auditor of Freight Receipts after he had recast all the settlements of the July, 1925, prorate, wrote and told me that the loss to the Santa Fe for that one month on that traffic, and that of course excluded any pick-up that the Katy or the Frisco might have gotten because they were not in the settlement, was approximately twenty thousand dollars. Now of course twelve times twenty thousand dollars would be two hundred and forty thousand dollars, but after a study which I made of the volume of the traffic in June as compared with the other months of the year, I found that June was a little heavier month than the other months so that I arrived at a total loss, grand total loss to the Santa Fe west of Missouri River, of $225,000.00 based on the month of July, 1925. Other studies which I made lead me to believe that we might expect to get a pick-up as an east of the Missouri River line ourselves of about possibly forty thousand dollars, although that is simply guess-work. That is per year. That is to say our net loss if you were to use the Santa Fe as both an east and west of the Missouri River line, would be not $220,000.00 but $180,000.00. Now of course when you come to the Union Pacific, which is by far the largest loser in this game, why they get no pick-up at all. Everything is a loss to them. The Rock Island would have some pick-up

and the Missouri Pacific some pick-up. I didn't have the Burlington nor the Northwestern figures (Tr. 5059-5060-5061-5062).

In Exhibit A-128, the authority for the mileage is shown at the foot of page one. I used the miles of single track operated as shown in this statement No. 4, page 12 of the 34th annual report and so forth for the year 1920, published by the Interstate Commerce Commission. That says single track operated. I suppose that there is some lead track in that probably. I think the mileage shown in Exhibit [fol. 796] A-129 differs from the mileage shown in Exhibit A-128 because they were taken from different sources. Those on Exhibit A-129 were taken from the statement prepared by L. E. Wetling, the statistician on the Western Lines. This does not include all of the Illinois Lines or for that matter any other states as I understand it; it includes the Class 1 Railroads in each state and the Class 1 Railroads in the Western District and the tonnage. The Class 1 roads in Illinois, the Eastern Lines, are not included either as to mileage or tonnage. If it were possible to have made the segregation of the portion in Missouri that is Southwestern state for the purpose of those figures, I would have been very glad to do it, because everybody knows that Missouri is more prosperous, has a greater density of population and a greater production in the Western Trunk Line, as defined for this case, than it has in the Southwestern Territory. I mean that part north of the Missouri River (Tr. 5063-5064).

Exhibit A-133 does not show that the divisions of the revenue or traffic shown is approximately on a rate prorate basis. The divisions of the revenue are not on this basis because on lumber, which constitutes a very large volume of the traffic, the lines north and east of Kansas City get a great deal greater percentage proportion of the joint through rate than thirty per cent. This does show what would result from an average of the ten class rates prorate; on an average rate prorate using the average ten classes. I think the rate prorate basis is one of the most important factors which should be used in arriving at the division of joint through rates. It is true that the relationship between the first class and the lettered classes is not the same in the Western Trunk Line as in Southwestern Territory. That is the reason I used the average of the

[fol. 797] ten classes rather than any one class. I would not say necessarily that any change in the relationship of the class basis would in my opinion be a powerful argument in favor of the readjustment of the divisions. That would, of course, have some effect and should be given some weight. I do not know whether at the present time there is a proposal before the Commission to substantially increase class rates in Western Trunk Line territory. There is such a proposal, that is true. If that increase comes about in Western Trunk Line territory, I think that then the rates south and west of Kansas City should also be increased. In other words, based upon density of population and the density of traffic and every other consideration, I think the lines south and west of Kansas City would also be entitled to an increase. I can't say as to whether there is a tentative report now before the Commission to decrease the Southwestern rates. I don't know. It does not necessarily follow that if there be an increase either side of the gateway that there should be a change in the division if the joint through rates themselves have not been changed (Tr. 5065-5066-5067).

Attorney Towner thereupon asked the witness whether or not if there should be an increase in the class scale in Western Trunk Line territory and a decrease in the class scale in the Southwest, he was of the opinion that those things should be given consideration in establishing a readjustment of the divisions in this case. After a discussion of the propriety of this question, Attorney Outlaw said that what would be involved would be an increase in the class rates in Western Trunk Line territory and a readjustment in class rates in Southwestern Territory, which would in effect become commodity rates and such a comparison would be a comparison of wholly unlike things.

[fol. 798] The examiner thereupon suggested that Attorney Towner answer the witness' exhibit by putting in an exhibit of his own using the class rates north and south of the gateways on the first six classes and using the commodity rates north and south of the gateways, or using the Western Trunk Line class rates north of the gateways and the commodity rates south of the gateways. Attorney Towner said that he could do so (Tr. 5068-5069).

Exam. Disque: Or using the Western Trunk Line class rates north of the gateways and the commodity rates south of the gateways.

Mr. Larimore: Do you think that would determine anything?

Exam. Disque: It would determine as much as this.

The Witness: Well, I think this, that for the purposes of this proceeding you have got to stop with the rates as they exist today. I don't believe that you can project this hearing into the future, and to assume that at some indefinite time something else will happen and then predicate any decision upon that——

Exam. Disque (interrupting): That was not my question.

Mr. Towner: I am inclined to agree with you on that, Mr. Examiner, except that these class rate hearings will be going on concurrently with this case; that's the reason.

Exam. Disque: My proposition was to use rates that were moving the traffic rather than the paper rates on the lower classes (Tr. 5070).

It would be rather difficult to say whether or not our class rates move a very small portion of this traffic in dispute here. While I was running through these exhibits in preparation of my testimony, I did find quite a bit of the traffic that actually moved on class rates from points [fol. 799] of origin to points of destination in Texas. I didn't figure the proportion, but I have here a list of commodities moving in carloads at class rates to Beaumont, Dallas, Fort Worth, Houston and Waco during May and October, 1924. I find among that list of commodities, automobiles, boilers, heaters, butter, cheese, clay targets, engines and machinery (not otherwise indexed by name), oleomargerine, paper felt carpet, wall paper, pianos, shoes (not otherwise indexed by name), stoves and ranges, rubber tires and tool joints. Now in all fairness it ought to be said that on some of these commodities there are commodity rates also and sometimes they move at a commodity rate and sometimes they move at a class rate and in some instances the commodity rate is the class rate. I could not say definitely as to whether the class rates are used a little more freely in Western Trunk Line Territory. I would say they were, probably (Tr. 5070-5071).

I think the divisions shown on Exhibit A-134 of 40½ per cent north of Kansas City which includes 15 per cent north of Chicago on traffic from Milwaukee territory apply southbound only. They apply from Milwaukee and from all the Fox River territory which bases over Milwaukee. For example, if the Milwaukee Railroad picked up some of this traffic and hauled it to Kansas City, it would only get the 30 per cent of the haul. The fifteen per cent arbitrary only applies on the southbound traffic that moves through Chicago and at Chicago is delivered to a line other than the one which hauled it to the junction. In going over the history of the case, the very first record I could find of any division to the lines north of Chicago on Milwaukee traffic was made by the lines handling the traffic through the New Orleans gateway. That is my recollection. It was not at that time fifteen per cent, but it was some division which they did allow. It was a carriers' competition proposition. I think it should be changed. We are now deal-
[fols. 800 & 800½] ing with the question where we are trying to fix divisions upon adjustable and reasonable basis and I hope we are trying to eliminate carrier competition. I think that when it comes to the question of divisions that we ought to have divisions so fixed that the traffic might move freely via any of the lines which are parties to the joint through rates and have through routes. Those arbitraries of 15 per cent north of the Chicago or the Milwaukee rate accrue to the lines north. That accounts for the percentages which are shown for instance in column 4 or in column 8 of page 1 of Exhibit A-134 where they are in excess in the first instance of fifteen per cent or in the second of forty and a half. The way we determined this was we found the proportion first in cents per hundred pounds and then we found what percentage that proportion in cents per hundred pounds was of the joint through rate. The division is of the Chicago and Milwaukee rate. There is no division of this arbitrary. It accrued to the line north (Tr. 5072-5073-5074).

The lines north and east of Kansas City get no part of the Texas divisions or arbitraries. It is correct to show that these arbitraries stand on about the same basis except that I would like to add to this, when you come to a rate prorate basis, the lines for instance in Wisconsin, had

elected, I suppose of their own volition, to extend the Chicago basis of rates clear up into Wisconsin on traffic moving to the Missouri River and that consequently it seems to me, that the difference in the proportion which accrues to them under this compounded division and the average of their local ten class rates from the point of origin to the Missouri River, if you please, might be given some consideration (Tr. 5074-5075).

When we make a comparison between the division north and the local rate, if it operated to reduce the revenue of [fol. 801] the line north, I think that would mean that the Southwestern lines would participate in the arbitraries. I rather think the Southwestern Lines might participate in the arbitrary when you take into consideration that that arbitrary results in a greater division than the local rate. I can't see any reason why a line anywhere, speaking generally, should get more than its local rate. There is a difference in the arbitraries applied in Texas. Where we have a differential that differential applies on traffic to or from the Missouri River as well as it does on traffic to or from points east of the Missouri River. Now this is not true or that is not true as to the lines north and east of Kansas City. They have an arbitrary, for instance, in use in determining the joint through rate from a point in the Fox River Territory, we will say, to a Texas Common Point, but when they come to traffic moving to the Missouri River, they use exactly the same rate as is in effect from Chicago. I reach the conclusion that the Southwestern Lines should participate in the arbitrary north but that the Northern Lines should not participate in the arbitrary south because the circumstances are not similar (Tr. 5075-5076).

Referring to Exhibit A-135 the Rock Island and the Northwestern are not the only roads that participate in that situation through Des Moines. The Santa Fe has been forced in on it. The Santa Fe does not actually pay that money to the Northwestern. The result is this, the only way the Santa Fe could ordinarily get this traffic would be through some line other than the Rock Island. When that traffic is delivered to us at Kansas City, our Freight Accounting Department would probably settle on the basis of

the basic division, 30 per cent if you please, north and east of Kansas City. Then subsequently the line which took that traffic from the Northwestern at Des Moines and gave it to the Santa Fe at Kansas City would as I know, approach the Santa Fe and ask them to participate in the absorption of the proportion of the Northwestern on exactly [fol. 802] the same basis as the Rock Island division to the Northwestern. We have done this in a great many instances. I think these divisions also apply only southbound. This is another of those things similar to the 15 per cent allowance north of Chicago. All of these divisions which have come into existence through Chicago, Marshalltown, Omaha and so forth are all carrier competition divisions (Tr. 5077-5078).

I can not concede that the density figures should not be taken for their full face value because the net profit per ton in Western Trunk Line territory is less than the net profit per ton in Southwestern Territory. Density figures mean a very great deal because if you assume that two lines have a value each of $50,000.00 per mile of line and that one line has twice the density of the other line, why then it is going to take a considerably higher return to the line which has the lesser density to enable it to pay the same rate of return which the line could pay which has the higher density (Tr. 5078-5079).

Examiner Disque: I understood that all right, that was not exactly my question. My point was this: To some extent this density showing should not be taken for its face value because the net earnings per ton in Western Trunk Line Territory are not as great as the net earnings per ton in Southwestern Territory? I am talking about now only the expense of the transportation and not the overhead.

The Witness: Well, I think that is true. You can't take this density figure alone and figure divisions on it. This is one of the many factors which enter into the question of arriving at a just and reasonable division (Tr. 5079).

I got my density figures by states from Mr. Wettling. I think that those density figures reflected as he has divided them, correctly reflect the situation as nearly as possible. I have a high regard for Mr. Wettling. I don't know what

method he used. I only know that he is an exceedingly [fol. 803] capable man and I should say that any method he did use was as nearly as correct a method as human individuality could devise. He devised it on behalf of the lines in the Western District, including the Western Trunk Lines (Tr. 5079-80).

If it was necessary in order to pay a fair return, that one line in the Western Trunk Line Territory and one in the Southwestern Territory should earn a thousand dollars net revenue per mile and the Western Trunk Line had twice as much density, then it would be necessary for each unit of traffic in the Southwest to pay twice as much net revenue as in Western Trunk Line Territory, assuming the operating ratio was the same. Speaking only of the profit necessary to pay a net return on an equal value, I think that is correct (Tr. 5080-5081).

L. J. SICKEL was thereupon called as a witness and testified as follows:

Direct examination:

I am Assistant General Freight Agent in charge of Divisions for the Missouri Pacific Railroad and I have occupied that position for the last four years. Prior to that time I have been Chief Clerk in charge of Divisions for about ten years. I had experience solely in the Accounting Department for about twenty years and finally Chief Clerk in the Inter-Line Division. I have made a study of this case and I am familiar with all the issues involved (Tr. 5081-2).

The Southwestern Lines found it necessary to assign the testimony with respect to divisions to individual carriers depending upon the gateways or the states in the Southwest in which their line is more vitally interested. The Missouri Pacific Railroad have been allotted the task of testifying with respect to divisions on traffic between points in Western Trunk Line Territory covered by this proceed- [fol. 804] ing and Arkansas, Louisiana, Texas and Oklahoma via St. Louis, Missouri-East St. Louis, Illinois, also Cairo-Gale-Thebes, Illinois, gateways; also divisions be-

tween points in Western Trunk Line Territory west of the Mississippi River and Arkansas, including petroleum from Arkansas and Louisiana points via all crossings, fruits and vegetables from Oklahoma, Arkansas and Louisiana, ore from Oklahoma and Arkansas, and several other commodities from Louisiana points. My testimony will, therefore, include all of the interest Southwestern Lines in connection with the divisions via the several gateways and Southwestern States previously mentioned (Tr. 5082).

Exhibit No. A-138 is a map showing the territorial boundaries into which Western Trunk Line Territory is grouped on traffic to and from the State of Arkansas for rate making purposes. The boundaries as shown on this exhibit have been made from the territorial descriptions as provided for in Southwestern Lines' Territorial Directory No. 1-G, I. C. C. No. 1665, which is the current Territorial Directory. There are a number of exceptions published in the Territorial Directory referred to, in fact, so many that it would not be possible to provide for them on this Exhibit, nor describe them in detail. This has reference more particularly to Davenport, Omaha, Minneapolis-St. Paul and Estherville Territory. The purpose of this Exhibit is to portray the general outlines of each Territory for rate making purposes and which have been followed largely in the various divisional arrangements, that is, divisions have generally been made with respect to territorial rate groupings. This map will enable the Commission to follow and to more clearly understand the various divisional arrangements in connection with my testimony, and I have found it valuable to have before me in preparation of my testimony (Tr. 5083).

[fol. 805] (The map described by the witness was received in evidence as Exhibit A-138.)

My Exhibit No. A-139 covers a list of Arkansas common points listed in F. A. Leland's Tariff No. 45-I, I. C. C. No. 961, effective December 12, 1912. Prior to October 7, 1913, joint through rates were in effect between points in Western Trunk Line Territory and Arkansas common points only, as listed on this Exhibit. There were no joint through rates between points in Western Trunk Line Territory and local points in Arkansas prior to October 7,

1913. It follows that no divisions were in effect between points in Western Trunk Line Territory except to and from Arkansas common points as shown on this Exhibit prior to October 7, 1913, because there were no joint through rates to and from other Arkansas points (Tr. 5084).

(The statement described by the witness was thereupon received in evidence as Exhibit A-139.)

[fol. 806] When I say Arkansas common points I mean the points taking Arkansas common point tariff and that is a list of all the stations at that time that were shown in that Tariff. Exhibit A-139 is composed of only one sheet (Tr. 5084).

My Exhibit No. A-140 covers ten representative local points in Arkansas, selected, on which has been shown the combinations on Classes 1 to E, inclusive, from Chicago to Milwaukee, Wisconsin, as in effect on October 6, 1913, or in other words, the day previous to the publication of joint through rates to and from Arkansas local points. This Exhibit shows the combinations over East St. Louis, also Cairo-Gale and Thebes, and the purpose of presenting this Exhibit is to show that prior to the date on which joint through rates were established to and from Arkansas local points, the lowest combination, with but five specific cases, was over the Cairo-Gale-Thebes gateway. The tariff authorities on which these combinations were based are shown on the Exhibit. This condition existed between points in Western Trunk Line Territory and Arkansas local points on all lines (Tr. 5085) (Tr. 5084).

(The statement described by the witness was thereupon received in evidence as Exhibit A-140.)

[fol. 807] My Exhibit No. A-141 shows the progression of differentials between Chicago, Milwaukee, Fox River and Estherville Territories that were and are used in the construction of joint through rates between points in the territories described and Arkansas common points originally and later Arkansas local points, the differentials being added to the rates between St. Louis, Missouri-East St. Louis, Illinois, and Arkansas points in the publication of joint through rates. The oldest Tariff in our files now available that published joint through rates between the territories

described and Arkansas common points is Missouri Pacific Railway Company Freight Tariff No. 2633, I. C. C. No. 753, effective October 1, 1896. That Tariff published rates only to and from Little Rock and Pine Bluff, Arkansas, at that time. It will be observed that effective October 1, 1896, the differential to and from Chicago Territory was 29 cents per 100 pounds on first class over the rates to and from St. Louis, Mo.; Milwaukee 35 cents, and Fox River Territory 55 cents. Effective June 1, 1898, in Missouri Pacific Railway Company Tariff No. 3179, I. C. C. No. 2666½, the differentials were reduced, Chicago first class being made 20 cents over the rates to and from St. Louis, Missouri-East St. Louis, Illinois and Milwaukee Territory was placed on the same basis as Chicago Territory, with the same corresponding reductions in the differential from Fox River Territory as from Milwaukee Territory. In other words, the first class Chicago differential was reduced from 29 cents per 100 pounds to 20 cents per 100 pounds, or a 9 cent reduction; Milwaukee was reduced from 35 cents per 100 pounds to 20 cents per 100 pounds, or a 15 cent reduction, and from Fox River Territory the reduction was 15 cents per 100 pounds on first class. All of the other class differentials were reduced on June 1, 1898, as compared with October 1, 1896, from the several [fol. 808] Territories mentioned, as will be observed. The particular point involved is that it will be seen Milwaukee Territory originally carried a spread beginning with 6 cents per 100 pounds on first class over Chicago Territory, and that with the reduction in the differentials from Chicago Territory on June 1, 1898, from 29 cents on first class to 20 cents, that Milwaukee Territory was placed on the same differential basis as Chicago Territory, so that on and after June 1, 1898, Milwaukee Territory enjoyed the same differentials as Chicago Territory, which affected the joint through rates correspondingly to and from Arkansas points. This made corresponding reductions from Fox River Territory. The differentials in existence at the present time reflect the June 1, 1898, differentials advanced 25 per cent under General Order 28, 35 per cent under I. C. C. Ex Parte 74, and the general 10 per cent reduction on July 1, 1922 (Tr. 5085-5086-5087).

(The statement described by the witness was thereupon received in evidence as Exhibit A-141.)

My exhibit No. A-142 comprises eight sheets and covers divisions between Chicago Territory, Peoria, Milwaukee Territory and Minneapolis-St. Paul Territory and Little Rock, Arkansas, the first four sheets via East St. Louis, Illinois, and the last four sheets via Cairo-Gale-Thebes, Illinois (Tr, 5087).

(The statement described by the witness was thereupon received in evidence as Exhibit A-142.)

[fol. 809] The Witness: With reference to Sheet No. 1, which deals with the divisions between Chicago Territory and Little Rock, Arkansas, via East St. Louis, Illinois, it will be noted from Block "A", the joint through rates effective October 1st, 1896, were constructed by adding differentials to the rates applying from East St. Louis, Illinois, to Little Rock, Arkansas, of 29 cents per 100 pounds on first class, and the differentials on other classes are also shown at that time that were used in the construction of the joint through rates. In division of these joint through rates at that time, the lines between Chicago, Illinois, and points in Illinois taking the same joint through rates and East St. Louis were published in Chicago & St. Louis Traffic Association Division Sheet No. 103, effective April 25th, 1896, and allowed the lines between Chicago Territory in Illinois and East St. Louis, Illinois, specifics beginning with 35 cents per 100 pounds on first-class; the specifics on the other classes being shown as of that date. It will be noted the divisions received by the lines north of East St. Louis, Illinois, exceeded the differentials on the first four classes, and beginning with fifth-class, the divisions on the remaining classes were the same as the differentials that were used in the construction of the joint through rates. I have shown the manner in which the joint through rates were constructed for the purpose of indicating, first the differentials that were used at that time over the rates from East St. Louis, Illinois, to Little Rock, Arkansas, and second, the spread between the divisions received by the Western Trunk Lines as compared with the differentials on the first four classes, and third, on Classes 5 to "E" inclusive, that the divisions

received by the Western Trunk Lines were the same as the [fol. 810] differentials used in the construction of the joint through rates, and as a result on Class 5 to "E" inclusive, the lines between East St. Louis, Illinois, and Little Rock, Arkansas, received their full local rate (Tr. 5088-5089).

Block "B" shows the joint through rates between Chicago Territory in Illinois and Little Rock, Arkansas, effective June 1st, 1898, the through rates being constructed on differentials over the rates between East St. Louis, Illinois, and Little Rock, Arkansas, but it will be observed that the differentials on June 1st, 1898, are lower than the differentials as of October 1, 1896 shown in Block "A" above. This resulted in the joint through rates between Chicago Territory in Illinois and Little Rock, Arkansas, being reduced to the extent of the reduction in the differentials between Chicago Territory in Illinois over East St. Louis, Illinois. In the division of these reduced rates, it will be observed that the lines between Chicago Territory in Illinois, and East St. Louis, Illinois, received the same specifics in cents per 100 pounds on each class as they received in division of the higher rates on October 1, 1896, because of the reduction in the differentials, and that no change was made in the specifics received by the lines between Chicago Territory and East St. Louis. The lines between East St. Louis, Illinois, and Little Rock, Arkansas, assumed the reduction out of their earnings because of the reduced differentials and corresponding reductions in the joint through rates (Tr. 5089-5090).

Block "C" indicates the reductions in the joint through rates, June 1, 1898 compared with October 1, 1896, and it also indicates that the Southwestern Lines assumed this reduction. This condition continued to and including No- [fol. 811] vember 15, 1914, on which date it will be observed that the differentials were the same as June 1, 1898, but owing to some readjustments in the rates between East St. Louis and Little Rock, on some of the classes, corresponding changes resulted in the through rates between Chicago Territory in Illinois and Little Rock, however, the divisions for the lines north of East St. Louis remained as indicated in Block "B" above. The purpose of showing the rates and the divisions in Block "D" as of November 15, 1914 was because on November 16, 1914 the divisions received by

the lines between Chicago Territory in Illinois and East St. Louis, Illinois were advanced 5 per cent, and to indicate that there was no change in the joint through rates between the dates of November 15 and November 16, 1914. The advance in the divisions was the result of a 5 per cent advance in the proportional rates between Chicago Territory and East St. Louis as published in E. B. Boyd's Tariff No. 506-D, I. C. C. No. 523, that tariff superseding previous serial issues, and was used as a division sheet because of the discontinuance of Chicago & St. Louis Traffic Association division sheets (Tr. 5090-5091).

It will be observed that the advance of 5 per cent in the proportional rates between Chicago Territory and East St. Louis as shown in Block "E" were not reflected by a corresponding advance in the joint through rates between Chicago Territory and Little Rock, Arkansas, and as a result the Southwestern Lines assumed out of their earnings the advance in the proportional rates. By reason of the reduction in the differentials previously mentioned, and which reduction was assumed by the Southwestern Lines, and the further reduction assumed by the Southwestern Lines because of the increase in the proportional rates between Chicago Territory and East St. Louis also previously mentioned resulted in a total shrink by the Southwestern Lines [fol. 812] as indicated by Block "G". The reduction referred to in Block "G" is solely on account of the reduction in the differentials, and the increase in the proportions north of East St. Louis by reason of the 5 per cent advance in the proportional rates, and does not reflect the total reduction by the Southwestern Lines below the local rates between East St. Louis and Little Rock. It will be observed that the Southwestern Lines received their full local rates on Classes 5 to "E" inclusive on October 1, 1896, because the divisions were the same as the differentials, but effective with the reduction in the differentials on June 1, 1898, the Southwestern Lines received on Classes 5 to "E" inclusive, divisions as much less than their local rates as the reduction that was made in the differentials on the same classes, and that this condition continued to and including November 16, 1914, except that on the latter date, the Southwestern Lines assumed a still further reduction because of the increase in the proportions north of East St. Louis. This

condition continued up to the time of government control (Tr. 5091-2).

I have next shown the situation as it exists currently. In Blocks "H" and "I", I have shown what the joint through rates would be if constructed on combinations by the use of proportional rates between Chicago Territory and Cairo, Gale and Thebes, and the local rates beyond, and similarly over East St. Louis, Illinois. It will be observed that the combination over Cairo, Gale and Thebes would make the lowest through rate, except on Class "D", and it will also be observed that the actual joint through rates as shown by Block "J" are considerably less than the combination over Cairo, Gale or Thebes by reason of the differentials which are less than the proportional rates between Chicago Territory and East St. Louis. I have shown in Block "E" the full proportional rates currently in effect between Chicago Territory and Cairo, Gale and Thebes, and the local rates [fol. 813] beyond, and similarly over East St. Louis, Illinois. It will be observed that the combination over Cairo, Gale and Thebes would make the lowest through rate, except on Class "D", and it will also be observed that the actual joint through rates as shown by Block "J" are considerably less than the combination over Cairo, Gale or Thebes by reason of the differentials which are less than the proportional rates between Chicago Territory and East St. Louis. I have shown in Block "E" the full proportional rates currently in effect between Chicago Territory and East St. Louis, and in Block "L" the divisions received by the lines north of East St. Louis, Illinois, as published in Illinois Freight Association Division Sheet No. 5. The divisions received by the lines north of East St. Louis exceed the differentials by the figures on each class as indicated by Block "M", further, to that extent there is a corresponding shrink in the proportions received by the Southwestern Lines south of East St. Louis as compared with the local rates between East St. Louis and Little Rock as indicated in Block "Q". It is here desired to point out that the proportions received by the lines north of East St. Louis, Illinois, currently are but slightly less than their full proportional rates as indicated by Block "N". This slight shrink between the full proportional rates and the divisions received by the lines north of East St. Louis is the result of the pro-

portional rates being advanced 40 per cent under I. C. C. Ex Parte 74, whereas, the divisions were advanced 35 per cent to correspond with the same advance in the joint through rates. The lines north of East St. Louis, Illinois, are receiving practically their proportional rates, whereas, the Southwestern Lines are shrinking considerably below [fol. 814] the local rates between East St. Louis, Illinois, and Little Rock, Arkansas, as contrasted with the situation on October 1, 1896, at which time the Southwestern Lines on 6 of the 10 classes received their full local rates (Tr. 5092-5093).

I have shown in Block "J" the joint through rates currently in effect, and it can be seen how much less the joint through rates are than the lowest combination as reflected by Block "H." If in division of the joint through rates the lines north of East St. Louis, Illinois, are entitled to approximately their proportional rates in division of through rates that are less than the combinations, then there is just as much reason why the Southwestern Lines should be accorded similar treatment. Because the joint through rates are less than the lowest combination it is quite evident that the shrink between such joint through rates, and the lowest combination has not been properly equalized when one group of lines receive almost their full proportional rates, and the other group of lines assumes practically the entire shrink between the lowest combination, that would obtain and the through rates (Tr. 5093-5094).

What I have said of Little Rock is equally true of all other Arkansas common points, because the through rates are constructed in the same manner, and the divisions received by the lines north of East St. Louis are the same currently as shown by Block "L". Another point that this Exhibit does not portray, is that in division of through commodity rates, the lines north of East St. Louis require their class specific, except commodities specifically shown in Illinois Freight Association Division Sheet No. 5. The division sheet referred to has no provision in it to that effect notwthstanding which the lines north of East St. Louis where such conditions exist have always required their class specific which makes a further unequal distribution of the [fol. 815] shrink between the through commodity rate as compared with a through class rate (Tr. 5094).

Sheet No. 2 shows an identical situation with respect to traffic between Peoria, Illinois, and Little Rock, Arkansas via East St. Louis, Illinois. This Exhibit reads Peoria Territory, and should be corrected, eliminating in the caption the word "territory" as there is no Peoria Territory on Arkansas traffic. Although the hauls between Peoria, Illinois, and East St. Louis are less than the hauls between Chicago and northern Illinois Point- and East St. Louis, the same joint through rates are in effect, and the divisions received by the lines north of East St. Louis are the same as from Chicago and other northern Illinois points. The proportional rates are also the same between Peoria and East St. Louis as between Chicago and other northern Illinois points and East St. Louis. This exhibit also indicates that the Northern Lines are receiving approximately their full proportional rates, and that their divisions for the shorter hauls between Peoria and East St. Louis are the same as for the longer hauls between Chicago and northern Illinois points and East St. Louis. The Southwestern Lines are shrinking the same figures in cents per 100 pounds below their local rates as from Chicago and other northern Illinois points. Certainly if there is no justification for the Southwestern Lines assuming practically the entire reduction between the through rates and the lowest combination on traffic from Chicago and other northern Illinois points, there is less justification for making the same shrink in cents per 100 pounds on traffic from Peoria, Illinois, because of the shorter hauls from Peoria as compared with the longer hauls from Chicago and other northern Illinois points; further, there is no justification for the lines between Peoria and East St. Louis receiving the same earn-[fol. 816] ings as the lines between Chicago and East St. Louis. From Exhibit No. A-138 it will be observed that Chicago Territory extends to within a short distance of East St. Louis on the south, so that the lines north of East St. Louis for even shorter distances than between Peoria and East St. Louis receive the same revenue as between Chicago and East St. Louis. It is true there is a provision in Illinois Freight Association Division Sheet No. 5, that the lines north and south of East St. Louis are limited to their current local or proportional rates as maximum, so that should the specifics shown on Sheet 2 exceed the local or proportional rates for the lines north of East St. Louis they

would be held down to their local or proportional rates. There is no justification for one group of lines receiving divisions almost equal to their proportional rates in the division of a joint through rate that is less than the combination, and forcing another group of lines to assume the entire reduction between the lowest combination and the joint through rate (Tr. 5095-5096).

There are a large number of points that are located in Chicago territory in Illinois not named in Illinois Freight Association Division Sheet No. 5 from and to which joint through rates are made over the local commodity rate to or from East St. Louis by the use of the Chicago territory class differential, and in such cases lines north of East St. Louis usually require the same divisions as published in that division sheet between Chicago or Peoria and East St. Louis, both being alike regardless of their hauls, some of which are intermediate with such points as Peoria, Bloomington, Springfield, Decatur and Danville, and their hauls are probably one-half and frequently one-third the distance between Chicago and East St. Louis, with the limitations of locals as maximum. In all such cases the Southwestern Lines are shrinking the same amount in cents per 100 pounds below the local commodity rates between East St. [fol. 817] Louis and Little Rock or other Arkansas common points as indicated by Sheets 2 and 3, and when commodity rates are published between East St. Louis and Little Rock, or other Arkansas points that are lower than the class rates, the Southwestern Lines assume the same shrink below their local commodity rates as they would assume in division of a class rate. This is one of the inconsistencies of allowing class divisions to the lines north of East St. Louis in division of through commodity rates, and there can be no justification for expecting or requiring the Southwestern Lines to make the same shrink below their local commodity rates as they would should such traffic move under through class rates. This is a situation that should be remedied by the lines north of East St. Louis accepting the same percentage of the class division that the through commodity rate is of the through class rate, or the substitution of percentages for specifics to apply on all traffic (Tr. 5098-5097-5098).

Sheet No. 3 shows the rates and divisions between Milwaukee Territory and Little Rock, Arkansas, via East St.

Louis, Illinois. Block "A" shows the through rates between Milwaukee Territory and Little Rock, and the differentials that were used, effective October 1, 1896, and Block "B" shows the joint through rates and the differentials in constructing joint through rates between Chicago territory and Little Rock, Arkansas, effective on the same date. Block "C" indicates the spread in the differentials, Milwaukee Territory over Chicago Territory, effective October 1, 1896, which spread is reflected in the joint through rates, Milwaukee Territory over Chicago Territory. Block "D" shows the divisions between Milwaukee Territory and Little Rock, Arkansas, via East St. Louis, effective October 1, 1896, indicating that the divisions received by the [fol. 818] lines between Milwaukee, Wisconsin, and East St. Louis, Illinois, exceeded the divisions between Chicago Territory and East St. Louis by the spread in the differentials, Milwaukee Territory over Chicago, and as a result the Southwestern Lines received the same revenue from Milwaukee territory as they received from Chicago Territory. This is shown more specifically by Block "D" which shows the specifics received by the lines between Milwaukee Territory and East St. Louis, and between Chicago Territory and East St. Louis, and the spread in the divisions which it will be observed are the same as the spread in the differentials, indicated by Block "C," in other words, on Milwaukee traffic the Southwestern Lines received Chicago Territory revenue, and the lines north of East St. Louis because of their greater haul from Milwaukee Territory as compared with the Chicago Territory received greater divisions, because of the spread in the differentials which was reflected by a corresponding spread in the through rates (Tr. 5098-9).

Block "E" shows that effective June 1, 1898, the through rates between Milwaukee Territory, and Little Rock were the same as between Chicago Territory and Little Rock. This is caused by the elimination of the Milwaukee differentials and the substitution of the Chicago differentials to apply from and to Milwaukee Territory. Further, as previously pointed out, effective June 1, 1898, the Chicago differentials were reduced from 29 cents per 100 pounds on first-class to 20 cents per 100 pounds, with relative reductions on the other classes. This had the effect of reducing the Milwaukee differentials over East St. Louis on first-

class for example, from 35 cents per 100 pounds on October 1, 1896, to 20 cents per 100 pounds on June 1, 1898. Notwithstanding this reduction in the differentials. It will be noted from Block "E" that in the division of these reduced rates caused solely by the reduction in the differentials, [fol. 819] that the lines between Milwaukee, Wisconsin, and East St. Louis, Illinois, received as their division of such reduced rates the same specifics in cents per 100 pounds on each class as they received in division of the higher rates on October 1, 1896, and as a result of the elimination of the Milwaukee differentials and the substitution of the Chicago differentials to apply to and from Milwaukee Territory, and the further reduction in the differentials to and from Chicago Territory, the Southwestern Lines assumed the entire reduction, and the northern lines continued to receive the same divisions as formerly (Tr. 5099-5100).

Block "F" indicates the shrink in the joint through rates brought about by the reduction in the differentials referred to. The shrink caused by the Southwestern Lines below their local rates at that time is not shown, but merely the shrink that was made in the differentials. It will be observed that effective October 1, 1896, on Classes 5 to "E" inclusive, the divisions received by the lines between Milwaukee Territory and East St. Louis as shown in Block "D" were the same as the differentials, so that at that time the Southwestern Lines received their full local rates. The divisions as shown between Milwaukee, Wisconsin, and East St. Louis, effective October 1, 1896, were published at that time in Chicago & St. Louis Traffic Association Division Sheet No. 103, effective April 25, 1896, and the same specifics referred to were later published as proportional rates between Milwaukee Territory and East St. Louis in Agent E. B. Boyd's Tariff No. 506-Series. The above condition continued from June 1, 1898, to November 16, 1914. On the latter date the same joint through rates were in effect as on June 1, 1898, and were constructed on the basis of the Chicago differentials over the rates applying between East St. Louis and Little Rock or other Arkansas common points. There were some readjustments in the rates between East St. Louis and Little Rock, beginning with [fol. 820] fourth-class to "E" inclusive, but the differentials Milwaukee over East St. Louis were not changed. On November 16, 1914, the proportional rates between Mil-

waukee and East St. Louis were advanced 5 per cent, and the lines north of East St. Louis received their full proportional rates between Milwaukee and East St. Louis as indicated by reference to E. B. Boyd's Tariff No. 506-D, I. C. C. No. A-523, that tariff being used as a division sheet. The Southwestern Lines assumed this additional shrink as indicated by Block "H," and in this block I have shown the shrink in the earnings by the Southwestern Lines by reason of the 5 per cent advance in the divisions north of East St. Louis plus the shrink caused by the substitution of the Chicago differentials to apply to and from Milwaukee Territory, or a total shrink on first-class of 17.1 cents per 100 pounds with relative shrinks on the other classes (Tr. 5100-5101).

These proportional rates applied on traffic to or from points in Arkansas to Southeastern Missouri, to and from which there were no joint through rates. The differentials applied originally to and from Arkansas common points. Then on October 7, 1913, those differentials were applied in making joint through rates to and from Arkansas local points. Prior to that October 7, 1913, there were no joint through rates to and from Arkansas local points and the proportional tariff was used to make your joint through charge and the lowest combinations applied were over East St. Louis or Cairo-Gale-Thebes. Now that is the purpose of that exhibit, there where I have shown the operation over East St. Louis and over Cairo-Gale-Thebes to quite a number of representative local points, to show that the actual combination was over Cairo-Gale or Thebes. Originally on Arkansas common points the division sheet was used and I made reference to the Chicago St. Louis Traffic Association Division sheet No. 103. Now that division [fol. 821] sheet was later cancelled and those same specifics published as proportional rates in Boyd's Tariff 506. Following that that tariff was used as a division sheet on both Arkansas common point and local points (Tr. 5101-5102-5103).

It will be observed that while joint through rates between Milwaukee Territory and Little Rock and other Arkansas common points were placed on the same basis as Chicago by reason of the elimination of the Milwaukee differentials, the lines north of East St. Louis nevertheless maintained

the same spread in their proportional rates between Milwaukee Territory and East St. Louis over Chicago as originally existed in the differentials, and that this spread was further increased by reason of the 5 per cent advance in the proportional rates between Milwaukee Territory and East St. Louis. As a result the Northern lines continued to receive as their division between Milwaukee and East St. Louis the same spread over the division between Chicago and East St. Louis as originally existed in the differentials, Milwaukee over Chicago, but that because of the discontinuance of the Milwaukee differentials as originally existed, and the substitution of the reduced Chicago differentials, the lines north of East St. Louis did not participate in the reduction in any manner, but the Southwestern Lines assumed all of these reductions, the sum total of which is indicated in Block "H." This condition existed from November 16, 1914, to the period of government control (Tr. 5103).

I have next shown what the situation is currently, by making a comparison between the current joint through rates, Milwaukee Territory and Little Rock, Arkansas, and the manner in which such joint through rates are constructed as compared with the lowest combination of proportional and local rates over Cairo-Gale-Thebes, Illinois, [fol. 822] and East St. Louis. It will be observed that with the exception of Class "E," the Cairo-Gale-Thebes, Illinois, combination would make a lower joint through charge than over East St. Louis, but that the joint through rates as indicated by Block "E" as currently in effect are lower than the lowest combination over Cairo-Gale-Thebes. I have shown in Block "L" the proportional rates published currently between Milwaukee Territory and East St. Louis, and in Block "M" I have shown the divisions as currently in effect. It will be observed from Block "O" that the lines between Milwaukee Territory and East St. Louis are receiving divisions currently that are almost equal to their full proportional rates, the slightest difference being caused by the 40 per cent advance under I. C. C. Ex Parte 74 in the proportional rates, and the divisions reflecting a 35 per cent advance because the joint through rates were advanced 35 per cent. Block "P" shows the specifics in cents per 100 pounds on each class that the Southwestern Lines shrink

below the local rates between East St. Louis, Illinois, and Little Rock, Arkansas (Tr. 5104).

I don't show how much lower these divisions are than the local rate because the local rate was never used in the construction of the joint through rates at any time but the proportional rates were used in the construction of joint through rates. That is why I made that comparison and when they substituted the differentials for the proportional rates, why the Southwestern Lines took care of all of that shrink. Now if we had never established any joint through rates to and from Arkansas local points, why the Southwestern Lines would not have continued to assume all of these shrinks I have shown here. They would have continued to receive some of the revenue that they formerly did. The local rates of the lines south or west of East St. Louis were used in the construction of the joint through charges in connection with the proportional rates north and east. My exhibit shows the shrink that the Southwestern [fol. 823] Lines are making in their divisions below the local rates. The proportions of the lines north and east of East St. Louis are the divisions at present, and approximate their proportional rates which were the rates which were used at one time in constructing these joint through charges to and from Arkansas local points. Prior to the time the proportional rates were published, the combination of locals was the only basis we had. These proportional rates were really the outgrowth of the specifics that were published by the Chicago St. Louis Traffic Association in Division Sheet No. 103. I think that is the number. They were applied as proportional rates north of St. Louis and East St. Louis on both northbound and southbound traffic. A great many of the commodity rates were made though. Cotton seed products was one of them. The publication of the proportional rates north of the gateways operated to reduce the through charge, but the entire reduction was sustained by the Northern Lines. But when it came to a division of the through rate which was produced by a combination of local rates and proportional rates, the Southwestern Lines shrunk their local rates so when we got through both had shrunk our rates. That is true as far as the Arkansas local points are concerned, but when we come to Arkansas common points, this Chicago & St. Louis Traffic Association Division Sheet No. 103 published these spe-

cifics that I have mentioned as divisions to and from Arkansas common points. Those rates were made by the use of the differentials that I have mentioned. Now later on naturally by the use of these proportional rates, every carrier to and from Arkansas local points, as compared with common points, it naturally produced a higher through charge to intermediate local points as to common points beyond and that was the reason why joint through rates had to be established to and from Arkansas common points (Tr. 5105-6-7-8).

I've another exhibit here, Mr. Examiner, that covers the Arkansas local situation, that will be the next exhibit. [fol. 824] Block "P" shows the specifics in cents per 100 pounds on each class that the Southwestern Lines shrunk below local rates between East St. Louis and Little Rock, Arkansas, and that the divisions received by the lines between Milwaukee Territory and East St. Louis reflect the same spread in cents per 100 pounds in excess of the differentials that are used in the construction of the joint through rates, so that while we have joint through rates that are constructed on differentials over East St. Louis that are 50 per cent of the full proportional rates between Milwaukee and East St. Louis, the lines between Milwaukee and East St. Louis as their division receive approximately their full proportional rates, and the Southwestern Lines are shrinking below their local rates the spread between the divisions accruing between Milwaukee Territory and East St. Louis and the differentials used in the construction of joint through rates. I again want to point out that effective October 1, 1896, that on 6 out of the 10 class rates the Southwestern Lines received their full local rates, whereas, today, the Southwestern Lines are receiving much less than their local rates, the specific figures being shown in Block "P." There is no justification for the Southwestern Lines being required to assume the entire reduction in the differentials that were made on June 1, 1898, compard with October 1, 1896, and as the Southwestern Lines received Chicago revenue to and from Milwaukee Territory on October 1, 1896, there would be ample justification for the Southwestern Lines, that on and after June 1, 1898, they should have continued to receive Chicago revenue on traffic to or from Milwaukee Territory. This feature will be dealt upon more specifically later on in my testimony (Tr. 5108-5109).

[fol. 825] We also have the same condition as previously pointed out in connection with through commodity rates between Milwaukee Territory and Arkansas common points, in division of which the lines north of East St. Louis require their class specific, except on such commodities on which specifics are published in Illinois Freight Association Division Sheet No. 5, which again forces the Southwestern Lines to make the same shrink in the division of through commodity rates as they would shrink in division of a through class rate making a disproportionate shrink on the part of the Southwestern Lines. Sheet No. 4 of this Exhibit shows divisions between Minneapolis-St. Paul territory and Little Rock, Arkansas, via East St. Louis, Illinois. Block "A" shows the joint through rates effective October 1, 1896 and the differentials then observed over East St. Louis, the basing point. The divisions then in effect are also shown and were published in Chicago and St. Louis Traffic Association Division Sheet 103, effective April 25, 1896. It will be noted that the divisions received by the lines between Minneapolis-St. Paul territory and East St. Louis were the same as the differentials used in connection with the joint through rates on six of the ten classes. This had the effect of the lines south of East St. Louis receiving their full local rates. The same can be said of the lines between Minneapolis and East St. Louis, except that the specifics were later published as proportional rates (Tr. 5109-5110).

Block "B" shows the joint through rates effective June 1, 1898 and the differentials observed in the construction of the through rates. It will be observed that the differentials Minneapolis-St. Paul territory over East St. Louis were reduced from 55 cents on October 1, 1896 to 40 cents on [fol. 826] June 1, 1898, and relative reductions in differentials on the remaining classes. This was brought about by the discontinuance of the Milwaukee-Wisconsin differentials and the substitution of the reduced Chicago differentials to and from Milwaukee territory resulting in the same reduction in the differentials Minneapolis-St. Paul territory over East St. Louis, Illinois, as between Milwaukee territory and East St. Louis, Illinois, or for example, 15 cents per hundred pounds on first class. It will be observed that lines between Minneapolis-St. Paul terri-

tory and East St. Louis continued to receive the same divisions effective June 1, 1898 as they received October 1, 1896, and as a result the Southwestern Lines assumed the shrink by reason of the reduction in the differentials referred to. This shrink is shown in Block "C". In my judgment there was no justification in the Southwestern Lines assuming the total shrink in the joint through rates made on June 1, 1898 as compared with October 1, 1896, because such reductions were caused solely by the reduction in the differentials from Minneapolis-St. Paul territory, the basing point being East St. Louis, Illinois (Tr. 5110-5111).

There would have been some justification for the Southwestern Lines taking the position that the lines South of East St. Louis would require Chicago revenue, because prior to the reduction in the differentials from Milwaukee and Minneapolis-St. Paul territory the lines south of East St. Louis did actually receive Chicago revenue (Tr. 5111).

Block "D" shows the joint through rates effective November 16, 1914 and the divisions allowed the lines between Minneapolis-St. Paul territory and East St. Louis, Illinois. It will be observed that the divisions were increased on November 16, 1914 to the extent of the specifics on each class [fol. 827] as shown by Block "E". The basis for this increase was brought about by the increase of 5 per cent in the proportional rate between Milwaukee territory and East St. Louis, and as the Southwestern Lines on Minneapolis-St. Paul territory traffic received the same revenue as on Milwaukee territory traffic, the same increase was made in the divisions between Minneapolis-St. Paul territory and East St. Louis as was made between Milwaukee territory and East St. Louis on November 16, 1914. There was no justification for the Southwestern Lines allowing the increase shown by Block "E" on November 16, 1914, to the lines north of East St. Louis, because the 5 per cent advance was not made in the rates published between Minneapolis-St. Paul territory and East St. Louis; however because of the fact that Southwestern Lines received Milwaukee revenue and because there was a 5 per cent advance in the proportional rates between Milwaukee territory and East St. Louis, which, as previously explained, was re-

flected by allowing the lines between Milwaukee territory and East St. Louis the 5 per cent advance in their divisions. It follows automatically the same increases were allotted to the lines between Minneapolis-St. Paul territory and East St. Louis. There was no justification for the Southwestern Lines allowing this increase to the lines north of East St. Louis, but on the contrary, the Southwestern Lines should have received Chicago revenue the same as they received on October 1, 1896. As a result of the generosity and oversight of the Southwestern Lines, reduction in their revenue resulted as reflected in Block "F", effective November 16, 1914, so that from June 1, 1898 to, but not including November 16, 1914, the Southwestern Lines assumed a shrink in their revenue by the specifics as reflected by Block "C" for which there was no justification whatever, and that from November 16, 1914 to the period of government control, the Southwestern Lines assumed a further shrink as reflected by Block "E", for which there was, beyond any [fol. 828] argument, no justification therefor, so that from November 16, 1914 to the period of government control the Southwestern lines assumed a shrink in their revenue as reflected by the specifics in each class shown in Block "F" and this condition has been perpetuated up to the present time.

I have next shown the situation with respect to rates and divisions as currently in effect as reflected by Blocks G, H and I. The reduced differentials, previously mentioned, are reflected in the current differentials, that is, the reduced differentials as of June 1, 1898 advanced 25 per cent under General Order No. 28 and later advanced 35 per cent under I. C. C. Ex Parte 74, and later reduced 10 per cent under the general reduction of 1922, results in differentials as indicated in Block "G" in constructing joint through rates, Minneapolis-St. Paul territory over the basing point, East St. Louis. In division of the rates as currently in effect the Southwestern Lines receive the same revenues as on similar traffic to or from Milwaukee territory and the lines north of East St. Louis receive the remainder of the joint through rates to or from Minneapolis-St. Paul territory. It will be observed that the divisions between Minneapolis-St. Paul territory and East St. Louis, Illinois, exceed the current

local rates between Minneapolis-St. Paul territory and East St. Louis, with the exception of Class "A," so that the lines north of East St. Louis, with the exception of Class "A", receive currently their full local rates. The lines south of East St. Louis do not receive as generous a division as will be observed from the specifics shown in Block "I", and that the Southwestern Lines are shrinking divisions as much less than their local rates between East St. Louis, Illinois, and Little Rock, Arkansas, as indicated by specifics shown in Block "I". If the Southwestern Lines had taken the position, as they should have, that they should [fol. 829] receive Chicago revenue on traffic to and from Minneapolis-St. Paul territory on and after June 1, 1898, a more equitable distribution would have resulted and the lines north of East St. Louis would not be receiving currently their full local rates, nor would the lines south of East St. Louis be assuming the entire shrink between the divisions received by the lines north of East St. Louis currently and the differentials used in the construction of the joint through rates over the base point East St. Louis, whatever opinion is entertained with respect to the proportions received currently by the lines between Minneapolis-St. Paul territory and East St. Louis, it follows in division of a joint through rate that is less than the combination where one group of lines receive in division their full tariff rates and the other group of lines assume the entire shrink between the divisions received and the differentials used in the construction of the through rates that the lines north of East St. Louis are receiving and divisions decidedly in excess of a reasonable division. We also have a similar situation with respect to traffic moving on through commodity rates on which the lines north of East St. Louis receive their class specifics in the absence of a specific commodity division from Milwaukee territory in Illinois Freight Association Division Sheet No. 5, so that in such cases the Southwestern Lines, in division of a through commodity rate, assume the same shrink below their commodity local rates between East St. Louis and Little Rock, Arkansas, and other Arkansas common points as they would shrink in division of a higher through class rate which reflects a still further disapportionate shrink

by the Southwestern Lines as certainly the Southwestern Lines should not shrink in cents per hundred pounds as much in division of a through commodity rate as they would shrink in division of a through class rate, the latter natu- [fol. 830] rally being higher. Later on, I will present exhibits showing the condition on several important commodities that are shipped from points in Minneapolis-St. Paul territory (Tr. 5113, 5114, 5115, 5116).

Sheet No. 5 covers the situation with respect to Chicago territory and Little Rock, Arkansas, via Cairo-Gale-Thebes, Illinois. Block "A" shows the joint through rates, effective October 1, 1896 and the differentials that were observed in their construction. It also shows the divisions received by the lines between Chicago territory and Cairo-Gale-Thebes, Illinois, the authority for which was Chicago and St. Louis Traffic Association Division Sheet No. 103, effective April 25, 1896, which later were published as proportional rates in E. B. Boyd's Tariff No. 506. We have a somewhat different situation via Cairo-Gale-Thebes, Illinois, as via East St. Louis, in that divisions received by the lines north of Cairo-Gale-Thebes, Illinois, exceeded the differentials over East St. Louis observed in the construction of the through rates, whereas via East St. Louis at that time the divisions and the differentials were alike on six of the ten classes so that the Southwestern Lines via Cairo-Gale-Thebes received less than their local rates. Effective June 1, 1898, as shown by Block "B", the through rates were reduced in amounts equal to the reduction in the differentials and the lines north of Cairo-Gale-Thebes, Illinois, continued to enjoy the same divisions out of the reduced rates as they received on October 1, 1896 in division of the higher rates so that the Southwestern Lines assumed the entire shrink in the through rates in their divisions, brought about only by the reduction in the differentials in Chicago territory over the base point, East St. Louis. This is reflected in Block "C" indicating the amount on each class that the Southwestern Lines assumed because of the reduction in the differentials (Tr. 5116-5117).

[fol. 831] I have next shown in Block "D" effective November 15, 1914, the through rates then in effect and the divisions. It will be observed there were some slight in-

creases in the through rates but this increase was made because of the advance in the base rates from East St. Louis, the reduced differentials continuing so that the lines between Chicago and East St. Louis made no contribution to the advance in the rates. The condition as outlined on June 1, 1898, continued to and including November 15, 1914. I have shown the rates and the divisions on November 15, 1914, so as to bring out this point, and further because on the following day, November 16, 1914, the same joint through rates were in effect as the day before; however, on November 16, 1914, as shown by Block "E," the lines between Chicago territory and Cairo-Gale-Thebes, Illinois, received an advance in their divisions to the extent of 5 per cent because the divisions received by the lines north of Cairo-Gale Thebes were the same as the proportional rates published in E. B. Boyd's Tariff No. 506-D, I. C. C. No. A-523, that tariff being used as a division sheet and as explained before, it superceded Chicago and St. Louis Traffic Association Division Sheets.

As a result of this increase the Southwestern Lines assumed a further shrink in their revenue as indicated in Block "F" so that beginning with November 16, 1914 and to the period of Federal Control, the Southwestern Lines assumed a total shrink on each class as reflected in Block "D," caused solely by the reduction in the differentials between Chicago and East St. Louis over the base rate on June 1, 1898, as compared with October 1, 1896, and because of the increase the divisions north of Cairo-Gale-Thebes, Illinois, on November 16, 1914, the 5 per cent advance in the proportional rates between Chicago territory and Cairo-Gale-Thebes, Illinois, was not reflected by a corresponding advance in the joint through rates so that in my judgment the Southwestern Lines from June 1, 1898, to [fol. 832] the period of Government control assumed a shrink in their revenue as indicated by Block "C" and "F", the total reflected in Block "G", that should have been assumed by the lines north of Cairo-Gale-Thebes, Illinois. In other words in my opinion the same reduction should have been made in the divisions between Chicago territory and Cairo-Gale-Thebes, Illinois, on June 1, 1898, as was made in the differentials on that date; further there was no justification for the allowance of the 5 per cent ad-

vance in the divisions north of Cairo-Gale-Thebes, Illinois, on November 16, 1914, inasmuch as there was no corresponding advance in the joint through rates or for that matter in the differentials. The situation could have been taken care of by making a corresponding advance in the differentials but this was not done. This action was justified by the decision of the Interstate Commerce Commission in I. C. C. Ex Parte 57, the so-called 15 per cent case, in which the Commission granted increased divisions to the extent only where joint through rates were increased to reflect the advances made to the lines east of the Mississippi River and where such increases were not made the lines east of the Mississippi River continued under that decision, to receive the same division of the joint through rates as they received prior to the 15 per cent advance in their local rates. What I say with respect to divisions between Chicago territory and Little Rock and other Arkansas common points via Cairo-Gale-Thebes, is also true with respect to divisions via East St. Louis from and to Chicago, Milwaukee and Minneapolis-St. Paul territory and it will also apply to succe-ding sheets of this exhibit (Tr. 5117-8-9).

I have next shown the situation as it currently exists. I have shown in Block "J", the through rates as currently in effect and how constructed. The differentials Chicago territory over the base point East St. Louis, beginning with 30½ cents per hundred pounds on first class is a continuation of the reduced differentials established on June 1, 1898, advanced under General Order No. 28, I. C. C. Ex. Parte 74, [fol. 833] and reduced in line with the general reductions of 1922. It will be observed that the joint through rates are less than the lowest combination of proportional and local rates over Cairo-Gale-Thebes, Illinois, and that notwithstanding that the joint through rates are less than the combination over Cairo-Gale-Thebes, Illinois, the Western Trunk Lines receive as their divisions, specifics that are almost equal to their full current proportional rates. This is brought out by Blocks "K" and "L" showing the full current proportional rates and Block "L" the divisions received by the Western Trunk Lines. The difference between the divisions received by the Western Trunk Lines and their full proportional rates is reflected in Block "M." It will be observed that the shrink in some cases is

only ½ cent per one hundred pounds, in other cases 1 cent. On the other hand Block "N" shows the shrink by the Southwestern Lines below their local rates indicating that the Southwestern Lines are assuming practically all of the shrinkage and on the other hand, the Western Trunk Lines are receiving pactically *all of the shrinkage and on the other hand the Western Trunk Lines are receiving practically* their full proportional rates (Tr. 5120).

We have the same situation, as previously mentioned, with respect to traffic moving on through commodity rates on which there are no commodity specifics in Illinois Freight Association Division Sheet No. 5. In every case the Western Trunk Lines require their class specifics compelling the Southwestern Lines to make the same shrink in their revenue in cents per hundred pounds below their commodity locals as they would shrink in division of the higher through class rate. Sheet No. 6 of this exhibit covers the situation between Peoria, Illinois, and Little Rock, Arkansas. At the top of this exhibit the word territory should be eliminated as there is no Peoria territory as [fol. 834] indicated by Exhibit No. 1, Peoria being in Chicago territory. All of what I have said with respect to Sheet No. 5 is applicable to Sheet No. 6, as the same rates and divisions over the various periods were and are in effect. The purpose of this sheet is to indicate to the Commission that the same joint through rates are in effect, as for example from Chicago or other northern Illinois points and more particularly to indicate that the lines between Peoria, Illinois, and East St. Louis are receiving the same divisions in cents per hundred pounds as for the longer hauls from and to Northern points. This situation is not peculiar to Peoria but is also applicable to all other southern Illinois points, for example, important points such as Springfield, Bloomington, Decatur, Danville and intermediate points. The hauls of the Western Trunk Lines are considerably less than on the same traffic from or to Northern Illinois points, notwithstanding which they receive the same earnings except should the divisions shown on this sheet for the Western Trunk Lines exceed their current local rates they would be limited to the latter. The Southwestern Lines are also limited to their local rates but they do not enjoy their local rates on any of this traffic

because in every case the Southwestern Lines divisions are substantially less than their local rates which has been brought out in Block "N". This sheet shows only the situation with respect to Little Rock and the identical situation obtains at all other Arkansas common points (Tr. 5121-5122).

It is true there are a number of Illinois points located in Chicago territory that are not shown in Illinois Freight Association Division Sheet No. 5. On account of the Chicago territory through rates applying the Western Trunk Lines ask for and receive the same specifics as shown in that division sheet between Chicago, Illinois, and Cairo-Gale-Thebes, Illinois.

Sheet No. 7 of this exhibit portrays the situation with respect to the rates and the divisions beween Milwaukee [fol. 835] territory and Little Rock, Arkansas, via Cairo-Gale-Thebes, Illinois. This sheet brings out the situation with respect to the rates and divisions as explained in connection with Sheet No. 3, via East St. Louis, Illinois. In other words, on October 1, 1896, it will be observed that the differentials Milwaukee territory over the base point East St. Louis, began with 35 cents on first class, the other classes being relatively lower and that the Milwaukee differentials were as much higher than the Chicago differentials as reflected by Block "C" (Tr. 5122-5123).

Block "D" shows the divisions between Milwaukee territory and Chicago territory and Cairo-Gale-Thebes, showing that in the division of the through rates on October 1, 1896, the Western Trunk Lines received the same spread in their divisions, Milwaukee territory over Chicago, as existed in the differentials. This situation was discontinued on June 1, 1898, on which date the reduced Chicago differentials were established and the original Milwaukee differentials were discontinued and the Milwaukee territory placed on the same differential basis as the reduced Chicago differential basis. This is shown by Block "E". It will be observed that the Western Trunk Lines continued to receive the same divisions on June 1, 1898, in connection with the reduced rates resulting from the reduced differentials as they received on October 1, 1896, so that the Southwestern Lines assumed the entire shrink by reason of

the elimination of the Milwaukee territory differentials and the substitution of the reduced Chicago differentials to apply to and from Milwaukee territory. This shrink is reflected in Block "F". Here again the Southwestern Lines, in my judgment would have been justified in continuing to receive Chicago revenue as they received on October 1, 1896, instead of the Western Trunk Lines receiving the same divisions out of the reduced rates resulting from the reduced differentials as they received prior to the elimination of the Milwaukee spread in the differentials over Chicago (Tr. 5123).

[fol. 836] In Block "G" I have shown the through rates on November 16, 1914, which were made on the same differential basis as on June 1, 1898; however, in division because of the 5 per cent advance in the proportional rates between Milwaukee territory and Cairo-Gale-Thebes, Illinois, the northern lines received an increase in their divisions to the extent of the increase of 5 per cent in their proportional rates, the divisions and proportional rates being alike because of E. B. Boyd's Tariff 506-D, I. C. C. No. A-523 was used as a division sheet. This shrink was also assumed by the Southwestern Lines as indicated by Block "H". As a result of the elimination of the Milwaukee differentials on June 1, 1898, and the substitution of the reduced Chicago differentials to apply to and from Milwaukee territory, together with the increase in the divisions to the Western Trunk Lines on November 16, 1914, on account of the 5 per cent advance in their proportional rates and divisions, the Southwestern Lines assumed a total shrink because of these two conditions as reflected at the bottom of Block "H". As stated before, in my judgment the Southwestern Lines should have continued to receive Chicago revenue. Further, because of the 5 per cent advance in the proportional rates and corresponding advance in the divisions to the Western Trunk Lines without a corresponding advance in the joint through rates, the Southwestern Lines should have continued to require Chicago revenue and when I say Chicago revenue, I mean the original specifics received by the lines between Chicago territory and East St. Louis as reflected in Block "B", but which do not include the 5 per cent advance. These specifics should have been the basis for determining the earn-

ings of the Southwestern Lines on the basis of Chicago [fol. 837] revenue. It can be seen from this exhibit that as a result of the generous disposition of the Southwestern Lines the conditions recited above continued from June 1, 1898 to, but not including, November 16, 1914, and on the latter date the Southwestern Lines made a further contribution to the Western Trunk Lines to the extent of 5 per cent and that the latter condition, plus the one mentioned between June 1, 1898, and November 15, 1914, continued to the period of Government control and thereafter until the present time (Tr. 5124-5125).

The next step reflects the situation currently as indicated by Block "I" to Block "O" inclusive. It will be observed from Block "K" that the joint through rates currently in effect are lower than the lowest combination over Cairo-Gale-Thebes, Illinois, notwithstanding which the Western Trunk Lines receive as their division, specifics indicated by Block "M" that are approximately their full current proportional rates, the latter shown in Block "L," the spread being only 7½ cents on the first two classes, 2 cents on the third class, 1½ cents on fourth and 1 cent on the remaining classes, whereas the divisions received by the Southwestern Lines are as much less than their local rates as are the specific figures set out in Block "O" (Tr. 5125).

Summing up the situation, the Southwestern Lines are assuming almost the entire shrink between the joint through rates as reflected in Block "K" and the lowest combination over Cairo-Gale-Thebes, Illinois, or more than 90 per cent on the average. I have previously pointed out that in division of through commodity rates on which there is no corresponding commodity specifics published in Illinois Freight Association Division Sheet No. 5, that the Western Trunk Lines require and receive their class specifics which results in the Southwestern Lines assuming the same shrink in cents per hundred pounds below their local [fol. 838] commodity rates as they would shrink in the division of a higher class rate and the Western Trunk Lines enjoy their class specifics the same as ~~in~~ division of a through class rate and therefore the Western Trunk Lines do not join in assuming any part of the difference between the lower through commodity rate and the higher through class rate. The above situation obtains not only at Little

Rock but at all other Arkansas common points with respect to what I have said in connection with Sheet No. 7 of this exhibit (Tr. 5126).

Sheet No. 8 portrays the situation with respect to traffic between Minneapolis-St. Paul and Little Rock and other Arkansas common points via Cairo-Gale-Thebes, Illinois. By reason of the elimination of the Milwaukee differentials over the base points East St. Louis, as existed on October 1, 1896, previously mentioned, and the substitution of the reduced Chicago differentials to apply to and from Milwaukee territory, Minneapolis-St. Paul territory was affected to the same extent as Milwaukee territory with respect to the reduction in the differentials in cents per hundred pounds on each class, so that on Minneapolis-St. Paul territory the Southwestern Lines are assuming identically the same shrink at various periods shown on this sheet as mentioned in connection with the previous sheet on Milwaukee territory traffic. The divisions received by the Western Trunk Lines on several of the classes are higher than the local-proportional rates, in one case they are the same and on the other classes the divisions received by the Western Trunk Lines are less than their local-proportional rates all of which is indicated in Block "I" (Tr. 5126-5127).

My next Exhibit No. A-143 comprises sixteen sheets. All of these sheets portray the situation with respect to rates and divisions between Chicago, Milwaukee and Minneapolis-Fox River Territories, including Peoria, Illinois, which is located in Chicago Territory, and local points [fol. 839] in Arkansas (Tr. 5127).

(The statement described by the witness was thereupon received in evidence as Exhibit A-143.)

[fol. 840] Prior to October 7, 1913, there were no joint through rates between points in Western Trunk Line Territory and local points in Arkansas. The joint through charge was made on the lowest combination over East St. Louis or Cairo-Gale-Thebes, Illinois, observing proportional rates published in E. B. Boyd's Tariff No. 506-B, I. C. C. No. A-281, effective May 1, 1912, and the local rates between East St. Louis or Cairo-Gale-Thebes, Illinois, and local points in Arkansas. The lowest combination was practically always over Cairo-Gale-Thebes, Illinois. I have

brought out this feature in Exhibit No. A-140 in which I have shown representative local points in Arkansas and on which I have shown the combinations over East St. Louis, also over Cairo-Gale-Thebes, Illinois, and it will be observed that from that Exhibit, that the Cairo-Gale-Thebes, Illinois, combination in practically all cases made a lower through rate charge than the East St. Louis combination. This situation obtained to and from all Arkansas local points. At that time, namely prior to October 7, 1913, on traffic interchanged at East St. Louis, Illinois, the Western Trunk Lines between Chicago, Illinois, and East St. Louis, Illinois, received 65 per cent of the proportional rates to or from Cairo-Gale-Thebes, Illinois, as their division. The 65 per cent referred to is the agreed percentage applying between Chicago, Illinois, and East St. Louis, Illinois, on traffic to or from Cairo-Gale-Thebes, Illinois, and reflects an actual mileage prorate using Chicago as the basing point on the north and Cairo, Illinois on the south. To and from other Illinois points the agreed percentages were applied via East St. Louis which varied depending upon the origin or destination in Illinois. For example, the agreed percentage between Peoria, Illinois and Cairo-Gale-Thebes, Illinois, via East St. Louis, Illinois, is 62 per cent north of East St. Louis and 38 per cent south. The division of 62 per cent north of East St. Louis is in excess [fol. 841] of an actual mileage prorate, nevertheless it is an agreed per cent. On traffic interchanged at Cairo-Gale-Thebes, Illinois, the lines north thereof received their full proportional rates and the lines south received their full local rates (Tr. 5127-8-9).

On October 7, 1913, joint through rates were established between points in Western Trunk Line territory and Arkansas local points on the same differential basis as was in effect between points in Western Trunk Line territory and Arkansas common points. The substitution of the differential basis in making joint through rates as against the Cairo-Gale-Thebes, Illinois, combination resulted in reductions in the joint through charges. I have brought out this situation on this Exhibit. Sheet 1 covers the rates and divisions between Chicago Territory and Bald Knob, Arkansas, which is a local point in Northern Arkansas located on the Missouri Pacific Railroad. Block A of this

Sheet shows the combination over Cairo-Gale-Thebes, Illinois, on October 6, 1913, and the through charge. It also shows that the lines north of East St. Louis receive 65 per cent of the proportional rates between Chicago Territory and Cairo-Gale-Thebes, Illinois, resulting in the specifics as shown in Block A. This situation obtained prior to October 7, 1913, and the specifics that I have shown north of East St. Louis on Bald Knob, Arkansas, reflect the divisions received by the Western Trunk Lines between Chicago Territory and East St. Louis, Illinois, on traffic to and from all Arkansas local points at that time (Tr. 5129-5130).

I have shown in Block "B" the through rates between Chicago Territory and Bald Knob, Arkansas, on October 7, 1913, and the divisions allowed the Western Trunk Lines north of East St. Louis. In Block C, effective October 7, 1913, I have shown the shrink between the joint through [fol. 842] rates established on October 7, 1913, and the lowest through charge that obtained prior thereto, based on the combination over Cairo-Gale-Thebes, Illinois. The shrink is shown in Block C on each class. In Block D I have shown the shrink assumed by the Southwestern Lines on October 7, 1913, as compared with October 6, 1913, because of the increase in the divisions to the Western Trunk Lines on October 7, 1913, as compared with October 6, 1913. This shrink is brought about by the fact that the lines between Chicago Territory and East St. Louis, Illinois, effective October 7, 1913, were allowed their full proportional rates as published in E. B. Boyd's Tariff No. 506-B, I. C. C. No. A-281. Because of the increase allowed to the Western Trunk Lines in their divisions on October 7, 1913, which the Southwestern Lines assumed, and because of the reduction in the joint through charge on October 7, 1913, which was also assumed by the Southwestern Lines, the total shrink on October 7, 1913, as compared with October 6, 1913, by the Southwestern Lines is reflected in Block E. There was no justification for the Southwestern Lines in division of the through rates established on October 7, 1913 on the differential basis, assuming the shrink in the joint through rates as compared with the combination previously in effect, and there was still less justification for the South-

western Lines allowing the Western Trunk Lines in division of the lower through rates, an increase in their divisions. If anything the total shrink should have been assumed by the Western Trunk Lines as reflected in Block E, or at least the Western Trunk Lines should have continued to accept 65 per cent of the proportional rates between Chicago Territory and Cairo-Gale-Thebes, Illinois, for their services to and from East St. Louis, as they received on October 6, 1913. This readjustment in the divisions had the effect of allowing the Western Trunk Lines an increased division out of the reduced joint through charges, and it had the effect of placing the entire burden [fol. 843] on the Southwestern Lines. This situation obtained not only on traffic to or from Bald Knob, Arkansas, but to and from all Arkansas local points on all lines (Tr. 5130-31).

This condition continued from October 7, 1913, to but not including November 16, 1914. On the latter date, the Southwestern Lines became still more generous by increasing the proportions to the lines north of East St. Louis to the extent of the 5 per cent advance in the proportional rates between Chicago Territory and East St. Louis, Illinois. This is reflected in Block F. On that date there was no change in the joint through rates so that by increasing the proportions to the Western Trunk Lines, the Southwestern Lines assumed a further shrink in their earnings to the extent indicated in Block G. The sum total of the generosity of the Southwestern Lines is indicated in Block H, so that on and after November 16, 1914 to the period of Federal control, the Southwestern Lines assumed the shrinks below their local rates as indicated in Block H, and the lines north of East St. Louis continued to receive their full proportional rates (Tr. 5131-5132).

The condition as pointed out beginning with November 16, 1914 to the period of Federal control, was reflected after Federal control except that it was increased by the several general advances and the one general reduction. I have shown the situation as it exists currently in Blocks I to P inclusive. It will be observed that the current joint through rates in Block K are considerably less than the lowest combination currently over Cairo-Gale-Thebes, Illinois, as shown by Block I, the latter being lower than the

combination over East St. Louis shown in Block J. In Block L I have shown the full current proportional rates between Chicago Territory and East St. Louis, and in Block M I have shown the divisions currently received by the Western Trunk Lines as published in Illinois Freight Association Division Sheet No. 5, which it will be observed are almost equal to their full proportional rates, the differ- [fol. 844] ence being caused by the proportional rates reflecting a 40 per cent advance under I. C. C. Ex Parte 74, and the divisions reflecting a 35 per cent advance, because the joint through rates were advanced only 35 per cent. The spread between the divisions received by the Western Trunk Lines and their full proportional rates is shown on each class in Block O. It will be observed that with but three exceptions, the Western Trunk Lines receive within one cent per 100 pounds of their proportional rates, and on Class D they receive their full proportional rates. On the other hand, the Southwestern Lines are assuming practically the entire shrink between the lowest combination and the joint through rates, or to explain the matter differently, the Southwestern Lines are assuming the shrink between the differentials currently in effect between Chicago Territory and East St. Louis, the base point, and the divisions received by the Western Trunk Lines. Summing up the situation, there is no reason why the Western Trunk Lines should not have continued to receive the same specifics on and after October 7, 1913, as they received on October 6, 1913, up to the period of Federal control, or in other words, 65 per cent of the proportional rates to Cairo-Gale-Thebes as shown in Block A, and that no increase should have been allowed the Western Trunk Lines by reason of the 5 per cent advance, so that the specifics shown in Block A should have continued up to the period of Federal control instead of the proportions received by the Western Trunk Lines as shown in Block B and Block F, and following Federal Control, the specific shown in Block A for the Western Trunk Lines as their divisions between Chicago Territory and East St. Louis should have been advanced in the same manner as the joint through rates were advanced under the several advances beginning with Federal control and reduced in line with the general reduction of 1922 (Tr. 5132-5133-5134).

[fol. 845] The Southwestern Lines are confronted with the same situation on traffic to and from Arkansas local points moving on through commodity rates on which there are no commodity specifics published in Illinois Freight Association Division Sheet No. 5 as previously explained to and from Arkansas common points, the Western Trunk Lines continuing to receive their class specifics in such cases, forcing the Southwestern Lines to assume the same shrink in cents per 100 pounds in division of through commodity rate as in division of a higher through class rate. Sheet No. 2 of this Exhibit shows the rates and divisions between Chicago Territory and Arkadelphia, Arkansas, via East St. Louis, Illinois. Arkadelphia is a local point on the Missouri Pacific Railroad located in the Southern portion of the State of Arkansas. I have prepared this sheet merely to indicate that the situation with respect to all other Arkansas local points is identical with that described in connection with Bald Knob, Arkansas, located in the Northern part of Arkansas, except it will be observed that from Block C, effective October 7, 1913, a greater shrink was made by the Southwestern Lines than was made in connection with Sheet No. 1 of this Exhibit covering traffic to and from Bald Knob, Arkansas, and that on November 16, 1914, as indicated in Block H, the shrink of the Southwestern Lines was increased above the shrink made at Bald Knob, Arkansas. This brings out the point that the greater the haul of the Southwestern Lines the greater the shrink in their revenue. That situation continued from October 7, 1913, to the period of Federal control and thereafter up to the time that the rates from St. Louis, Missouri, and East St. Louis, Illinois, to and from points in Arkansas were readjusted under the 9702 scale, so that beginning with the effective date of the latter scale, the shrink at all Arkansas points is uniform. This is reflected by a comparison of the shrinks made by the Southwestern Lines on [fol. 846] Sheet 2, which it will be noted are the same as the shrinks down on Sheet 1 (Tr. 5134-5135).

Sheet No. 3 of this Exhibit covers the situation between Peoria, Illinois, and Bald Knob, Arkansas, via East St. Louis, Illinois. The top of this Sheet should be corrected to read "Between Peoria, Illinois, and Bald Knob, Arkansas," instead of "Peoria Territory," because there is no

Peoria Territory, that point being located in Chicago Territory as indicated by Exhibit No. A-138. I have described the situation somewhat minutely in connection with Sheet No. 1 of this Exhibit, which covers Chicago Territory, and the situation is, therefore, almost similar, except that prior to October 7, 1913, the lines between Peoria, Illinois, and East St. Louis, Illinois, in division of the proportional rates between Peoria, Illinois, and Cairo-Gale-Thebes, Illinois, received 62 per cent whereas on Chicago they received 65 per cent. It will be observed that this results in a greater shrink by the Southwestern Lines below their local rates on October 7, 1913, on traffic to or from Peoria than indicated on Sheet No. 1 on traffic to or from Chicago. This is caused by the fact that on October 6, 1913, by reason of the 62 per cent division, the lines north of East St. Louis received less from Peoria, Illinois, as from Chicago, and the Southwestern Lines received a greater division south of East St. Louis than from Chicago. This situation was changed on October 7, 1913, because on that date and after, the line between Peoria, Illinois, and East St. Louis, Illinois, received their full proportional rates, which were the same as the proportional rates and the divisions received between Chicago, Illinois, and East St. Louis, Illinois, consequently the shrink by the Southwestern Lines on Peoria traffic was greater on and after October 7, 1913, than on Chicago traffic, notwithstanding which the hauls between Peoria and East St. Louis are considerably less than the hauls between Chicago and East St. Louis. This situation [fol. 847] is not only peculiar to Peoria, but other points to and from which the Peoria division of 62 per cent applies. Currently, the shrink by the Southwestern Lines on Peoria traffic is the same as the shrink on Chicago traffic as reflected by Block S, Sheet 3, as compared with Block T, Sheet 1, of this Exhibit. On the other hand, the lines between Peoria and East St. Louis are currently receiving approximately their full proportional rates, the slight shrink in their division below their full proportional rates being reflected in Block R, which reflects the same shrink as on Chicago traffic. Certainly there was no justification for the Southwestern Lines assuming as great a shrink on Peoria traffic as on Chicago traffic, because of the haul between Peoria and East St. Louis as compared with Chicago. On

the other hand, the Southwestern Lines should have continued to allow the Western Trunk Lines the same specifics between Peoria, Illinois, and East St. Louis, Illinois, on and after October 7, 1913, to the period of Federal control as the Western Trunk Lines received on October 6, 1913, as reflected in Block C, and the specifics referred to should then have been advanced in line with the general advances and the general reduction (Tr. 5135-5136-5137).

Sheet No. 4 of this Exhibit indicates the rates and divisions between Peoria, Illinois, and Arkadelphia, Arkansas, a local point on the Missouri Pacific Railroad in the Southern part of Arkansas. The Heading of this Sheet should be corrected to read—"Between Peoria, Illinois, and Arkadelphia, Arkansas," eliminating the word "Territory," as Peoria is in Chicago Territory. What I have said with respect to the divisions between Chicago Territory and Arkadelphia is applicable to Sheet No. 4, except that the shrink by the Southwestern Lines on October 7, 1913, is [fol. 848] greater on Arkadelphia, Arkansas, traffic than on Bald Knob, Arkansas, traffic, and further that the shrink at Arkadelphia on traffic to or from Peoria on October 7, 1913, is in excess of the shrink that was made by the Southwestern Lines at Bald Knob on traffic to or from Peoria or Chicago, bringing out the point that the greater the haul of the Southwestern Lines, the greater the shrink in their revenue. However, currently the shrink at Bald Knob and Arkadelphia is the same brought about by the readjustment in the rates under the 9702 scale (Tr. 5137-5138).

Sheet No. 5 of this Exhibit shows the rates and divisions between Milwaukee Territory and Bald Knob, Arkansas, a local point on the Missouri Pacific Railroad in Northern Arkansas, via East St. Louis, Illinois. On October 6, 1913, I have shown the combination over Cairo-Gale-Thebes, Illinois, to and from Chicago Territory, and in Block B I have shown the combinations over Cairo-Gale-Thebes on Milwaukee Territory. In Block B I have shown the spread in the proportional rates Milwaukee Territory over Chicago that they existed, which spread was reflected in the joint through charge. It will be observed that Milwaukee carried a spread over Chicago in the proportional rates of 6 cents beginning with the first class rate, and on the other classes, the spread was less, but in all cases the Milwaukee

proportional rates exceeded the Chicago proportional rates. I have previously pointed out in Exhibit No. A-140 that the combination over Cairo-Gale-Thebes, Illinois, was lower than the combination over East St. Louis, so that the joint through charge on Milwaukee traffic was based over Cairo-Gale-Thebes, Illinois, on October 6, 1913, and prior thereto. Block C of this street shows the joint through charge over Cairo-Gale-Thebes, Illinois, together with the local rates between Cairo-Gale-Thebes, Illinois, and Bald Knob, Arkansas, and the proportional rates between Milwaukee Ter-
[fol. 849] ritory and Cairo-Gale-Thebes, Illinois. The lines north of Chicago at that time received as their division 25 per cent of the Milwaukee Territory-East St. Louis, Illinois, proportional rates. This was covered by Chicago & St. Louis Traffic Association Division Sheet No. 103, as indicated by reference mark on this Sheet. The lines between Chicago and East St. Louis received 65 per cent of the balance of the Milwaukee Territory—Cairo-Gale-Thebes, Illinois, proportional rates, which was also covered by the same Division Sheet. The total proportions are also shown on the above Division Sheet that the lines between Milwaukee Territory and East St. Louis, Illinois received in division of the proportional rates between Milwaukee Territory and Cairo-Gale-Thebes, Illinois. The above condition existed prior to October 7, 1913, or in other words before joint through rates were established to and from Arkansas local points (Tr. 5138-9-40).

On October 7, 1913, joint through rates were established between Milwaukee Territory and Arkansas local points on the basis of the reduced Chicago differentials previously mentioned several times, resulting in joint through rates considerably less than the combination over Cairo-Gale-Thebes, Illinois, as will be observed by a comparison of the joint through rates shown in Block D as compared with Block B. In Block E, I have shown the through rates between Milwaukee Territory and Bald Knob, Arkansas, effective October 7, 1913, together with the divisions as of that date. It will again be observed that the lines between Milwaukee Territory and East St. Louis, Illinois, were allowed their full proportional rates between Milwaukee Territory and East St. Louis, Illinois, in division of the reduced rates, and that the Southwestern Lines assumed the entire

reduction in the joint through rates established effective October 7, 1913, as compared with the lowest combination over Cairo-Gale-Thebes, Illinois, on October 6, 1913, and [fol. 850] that the outhwestern Lines also assumed out of their earnings the increase on the divisions to the Western Trunk Lines made on October 7, 1913, and reflected in Block E, as compared with the divisions received by the Western Trunk Lines on October 6, 1913, as shown in Block C. This is brought out more clearly in Blocks F and G, which show separately the shrinks made by the Southwestern Lines, and Block H which shows the total shrink of the Southwestern Lines (Tr. 5140-5141).

It will be observed that on October 6, 1913, by reference to Block B, that there was a spread in the proportional rates—Milwaukee over Chicago, and this spread continued and is still in effect at the present time, except as increased under the several advances and reduced under the general reduction of 1922. This situation was reflected in the divisions at that time. With the establishment of joint through rates on October 7, 1913, on the basis of the reduced Chicago differentials, which were extended on June 1, 1898 to apply to and from Milwaukee Territory, the original spread—Milwaukee over Chicago of 6 cents on first class and relative spreads on the other classes, was discontinued although in the divisions the Western Trunk Lines continued to receive the original spread referred to, so that the substitution of the reduced Chicago differential to apply to and from Milwaukee Territory in establishing joint through rates on October 7, 1913, automatically had the effect of the Southwestern Lines assuming out of their earnings the original spread in the differentials—Milwaukee over Chicago Territory and the Western Trunk Lines in division continued to enjoy the original spread in connection with the reduced rates.

On November 16, 1914, in Block I, I have shown the joint through rates between Milwaukee Territory and Bald Knob, Arkansas, which were the same as the joint through rates on October 7, 1913, and the division of the joint [fol. 851] through rates, the proportions for the lines north of East St. Louis were increased to the extent of 5 per cent because of the increasé in the proportional rates to that extent as published in E. B. Boyd's Tariff No. 506-D, I. C. C.

No. A-523 which Tariff was used as a division sheet. The increase to the Western Trunk Lines because of the 5 per cent advance is shown in cents per hundred pounds on each class in Block J, so that beginning with November 16, 1914, as compared with October 6, 1913, the Southwestern Lines assumed the total shrink below their local rates as reflected in Block H, and the Western Trunk Lines received their full proportional rates. The condition recited continued from October 7, 1913 to the period of Federal control and thereafter to the present time changed only by General Order No. 28, I. C. C. Ex Parte 74 and the general reduction of 1922, which increases and the one decrease were reflected in the divisions of the Western Trunk Lines and results in the specifics as currently published in Illinois Freight Association Division Sheet No. 5 (Tr. 5141-5142).

I have next shown the situation as it exists currently. By reference to Block O, it will be observed that the joint through rates currently are lower than the lowest combination reflected in Block M. It will be observed that currently the combination over Cairo-Gale-Thebes, Illinois, from Milwaukee Territory over Chicago Territory as indicated by Blocks M and L reflects the spread in the proportional rates between Milwaukee Territory and Cairo-Gale-Thebes, Illinois, over Chicago Territory, but the joint through rates between Milwaukee Territory do not reflect the same spread but are on the same basis as Chicago Territory. Notwithstanding this situation, the lines between Milwaukee Territory and East St. Louis are currently receiving approximately their full proportional rates between Milwaukee Territory and East St. Louis, Illinois, as [fol. 852] shown by Block Q as compared with Block P, the latter Block indicating the full proportional rates currently in effect, the spread being shown by Block S. On the other hand, the Southwestern Lines are shrinking below their current local rates the specifics as indicated in Block T, which shrink currently reflects the advance between the divisions received by the Western Trunk Lines in excess of the differentials used in the construction of the joint through rates (Tr. 5142-5143).

It is evident that the Southwestern Lines, effective October 7, 1913, should have received the same revenue on traffic to or from Milwaukee Territory as they received on

traffic to or from Chicago Territory and that the Southwestern Lines should not have allowed the 8 per cent increase to the Western Trunk Lines on November 16, 1914. There is no justification in my opinion for the Western Trunk Lines receiving divisions approximating their proportional rates in division of a through rate that is lower than the combination of proportional and local rates, further, there is no justification for the Southwestern Lines assuming practically the entire shrink between the combinations referred to and the joint through rate made on the differential basis (Tr. 5143-5144).

Milwaukee was placed on the Chicago basis on traffic moving from that territory to points in Arkansas. Prior to that time the Milwaukee territory enjoyed a spread of 6 cents, beginning with the first class, over Chicago territory. The Southwestern Lines received Chicago revenue.

Now with the discontinuance of the original Milwaukee differential and the substitution of Chicago differentials to and from that territory, the western Trunk Lines continued to receive the same division as they formerly received, in other words their division Milwaukee territory over Chi- [fol. 853] cago reflected this 6 cents spread, so that the joint through rates were reduced to the extent of the reduction in the differentials and the Southwestern Lines assumed all of that reduction (Tr. 5144).

We also have the same situation with respect to traffic moving on through commodity rates on which the Western Trunk Lines, in the absence of a specific commodity division, receive their class specifics, forcing the Southwestern Lines to assume the same shrink in cents per hundred pounds in division of a through commodity rate as they would shrink in division of a higher through class rate. The Illinois Freight Association Division Sheet No. 5 which was placed in the record shows the commodity specifics that are published in that now. With that exception the class specifics apply in the division of the revenue under the through commodity rates. Of course there are some few commodities on which we have specific divisions like cotton seed products and so on, but generally speaking, why they are the exceptions. The exceptions are general in this division sheet to which I refer. There may be some few cases where you may have in the Division Sheet a Commodity

division of the through class rate. Now, that would be an injustice to the Western Trunk Lines. That is you may have a commodity specific division in that Division Sheet although you may have a joint through class rate. In that event, the commodity division sheet would apply to the class rate. To that extent it is an injustice to the Western Trunk Lines, but there are very few commodity specific divisions although a great many through commodity rates. That goes to show the injustice of allowing short lines a class specific of a through commodity rate or the reverse (Tr. 5145-5146).

Sheet No. 6 covers divisions between Milwaukee Terri- [fol. 854] tory and Arkadelphia, Ark, a local point on the Missouri Pacific Railroad in Southern Arkansas, via East St. Louis, Ill. It portrays the same situation as outlined above between Milwaukee Territory and Bald Knob, Ark., except that the shrink assumed by the Southwestern Lines on October 7, 1913, to November 16, 1913, was greater at Arkadelphia than at Bald Knob, although currently the shrinks in the divisions received by the Southwestern Lines are uniform (Tr. 5146).

Sheet No. 7 covers the divisions between Minneapolis-St. Paul Territory and Bald Knob, Ark., a local point on the Missouri Pacific Railroad in Northern Arkansas, via East St. Louis, Ill. Prior to October 7, 1913, there were no joint through rates between Minneapolis-St. Paul Territory and local points in Arkansas. The lowest through charge was made on the combination over Cairo-Gale-Thebes, Ill. There were no proportional rates between Minneapolis-St. Paul Territory and Cairo-Gale-Thebes, Ill., or East St. Louis, Ill.; therefore, the combination of locals applied, using W. H. Hosmer's Tariff No. 5-F, I. C. C. No. A-422. It will be observed that the combination over East St. Louis was lower than the combination over Cairo-Gale-Thebes, Ill., or East St. Louis, Ill.; therefore, the combination of locals applied, using W. H. Hosmer's Tariff No. 5-F, I. C. C. No. A-422. It will be observed that the combination over East St. Louis was lower than the combination over Cairo-Gale-Thebes, Ill., and on some of the classes the combinations were equalized. On traffic handled via East St. Louis, the Western Trunk Lines receive their local rates and the Southwestern Lines also receive their local rates. On October 7, 1913, joint through rates were established between

Minneapolis-St. Paul Territory and Arkansas local points on the basis of the reduced differentials. The differentials are shown in Block C, and it will be observed that the [fol. 855] through rates as established on October 7, 1913, were as much less than the combination over East St. Louis as the difference between the differentials between Minneapolis-St. Paul Territory and East St. Louis, Ill., and the local rates between Minneapolis-St. Paul Territory and East St. Louis, Ill. (Tr. 5147).

On October 6, 1913 the division of the local rate between Minneapolis and East St. Louis was 63 cents. After that the division was 61¢. Therefore the lines north of East St. Louis shrunk their local rate 2 cents. That is shown in Block E. On October 7, 1913, the Western Trunk Lines shrunk in their division comparing with October 6, 1913, 2 cents on first-class, 1½ cents on second, 1 cent on third; fourth and fifth, they received their local rates; a shrink of 2½ cents on Class A, and on the remaining classes they received their local rates. The Southwestern Lines on October 7, 1913, as compared with October 6, 1913, shrunk their revenue by—beginning with 21 cents on first-class, to as low as 3½ cents on Class E; that is shown in Block G (Tr. 5148-5149).

Block G shows the divisions received by the Western Trunk Lines, which, in some cases, were a trifle less than their local rates and in other cases where the divisions exceeded the local rates, the Western Trunk Lines were held down to their locals as maxima. Referring to Blocks B and C on sheet No. 7. There was a reduction of a through rate from $1.58 to $1.35, a reduction of 23 cents. That is the difference between the differential and the local rate. With the exception of the 2 cents, the differential accounts for the reduction in the through rate. Referring to Block F the divisions of the Minneapolis-St. Paul territory to East St. Louis in excess of the differentials is 21 cents. So, with the exception of 2 cents, that accounts for the reduction. The [fol. 856] reduction with the exception of the 2 cents came about in this way. On October 6, 1913 you had no joint through rates. The combination there was $1.58. Then on October 7, 1913 through rates were established on the basis of the differentials which were naturally less than the local rates. That was a voluntary act on the part of the carriers. It was caused by a Fourth Section because of the fact that

to and from Arkansas common points there were joint through rates based on the differentials, whereas to and from Arkansas local points, intermediate with the common points, there were no joint through rates. Consequently the lowest charge was the lowest combination. That brought about a higher through charge to an intermediate local point than to a common point beyond. That had to be cured by the substitution of the differentials. It is very difficult to say just exactly who made the reduction, who was responsible for it. I have quite a few letters in my file here to indicate that the Illinois Central was the first carrier that published through rates to and from Arkansas points. There was no Fourth Section violation on the Missouri Pacific. The Fourth Section violation was really at the other end (Tr. 5149-5150-5151-5152).

The Southwestern Lines received Milwaukee Territory revenue, and the lines north of East St. Louis received the remainder of the joint through rates, so that the discontinuance of the Milwaukee differentials over East St. Louis and the substitution of the reduced Chicago differentials, brought about a corresponding reduction in the differentials —Minneapolis-St. Paul territory over East St. Louis. On October 7, 1913, as indicated by Block D, the Southwestern Lines received as their divisions specifics as much less than their local rates as shown on each class in that Block, whereas on October 6, 1913, the Southwestern Lines received their full tariff rates. On the other hand, the West-[fol. 857] ern Trunk Lines on Oct. 7, 1913, received divisions equal to their local rates with the exception of the four classes on which the shrink below their locals ranged from 1 cent, 1½ cents, 2 cents, to 2½ cents. I have also shown in Block F, the amounts in cents per hundred pounds on each class that the Western Trunk Lines receive in division in excess of the differentials actually used in the construction of the joint through rates, and that this shrink was assumed entirely by the Southwestern Lines as indicated by Block G, so that on and after October 7, 1913, to but not including November 16, 1914, the Southwestern Lines continued to receive as much less than their local rates as reflected by Block G, and the Western Trunk Lines continued to receive practically their local rates, all of which indicates that the Southwestern Lines have been entirely too generous (Tr. 5152-5153).

Referring to page 7 of the Exhibit the 40 cents is not a local rate. That is a differential. The division was 21 cents higher than the differential and only 2 cents under the local rate in effect on October 6, 1913. The Southwestern Lines shrunk 21 cents out of their local. Block G shows the amounts on each class that the Southwestern Lines shrunk below their local rate on that date (Tr. 5153-5154).

On November 16, 1914, there was a further change in the divisions but not in the joint through rates, which resulted in the Western Trunk Lines receiving an increasing that was without any justification whatever. This increase was brought about by the fact that the Southwestern Lines received Milwaukee revenue on traffic to or from Minneapolis-St. Paul Territory. The proportional rates and the divisions between Milwaukee Territory and East St. Louis were increased 5 per cent. on November 16, 1914, and to that extent the Western Trunk Lines have received an increase in their proportions on traffic from Minneapolis-St. Paul Territory although the local rates between Minne- [fol. 858] apolis-St. Paul Territory and East St. Louis were not advance 5 per cent. The figures are shown specifically in Block I on each class. The total shrink by the Southwestern Lines below their local rates in division of the through rates from Minneapolis-St. Paul Territory as compared with October 6, 1913, is shown in Block J on each class, and all of this shrink is brought about by the three conditions previously mentioned, namely, First, the publication of joint through rates on differentials shown in Block C over the base point, East St. Louis, as compared with the local rates between Minneapolis-St. Paul Territory and East St. Louis shown in Block L; Second, the discontinuance of the Milwaukee differentials and the substitution of the reduced Chicago differentials, bringing about a corresponding decrease in the Minneapolis-St. Paul differentials over the base point, East St. Louis, and, Third, the fact that the Western Trunk Lines continued to receive approximately the same earnings in connection with the reduced rates as their local rates. This situation is further aggravated by the fact that on November 16, 1914, the divisions for the Western Trunk Lines were increased as indicated by Block H, and it will be observed that the proportions allowed to the Western Trunk Lines on and after November 16, 1914, exceeded their local rates as specifically shown in

Block J. All of these conditions were perpetuated after Federal control, and are reflected in the shrink by the Southwestern Lines currently in the division of these joint through rates below their local rates, as indicated by Block N, and that the shrink below the local rates received by the Southwestern Lines currently reflects the difference between the divisions currently received by the Western Trunk Lines and the differentials used in the construction of the joint through rates. On the other hand, it will be observed from Block L that the Western Trunk Lines re- [fol. 859] ceive on first class their local rate, and on the remaining classes, with the exception of Class A, the Western Trunk Lines' division exceeds the current local rate between Minneapolis-St. Paul Territory and East St. Louis, whereas on Class A, the division received by the Western Trunk Lines is 3 cents per 100 pounds less than their local rate. On October 6, 1913, the Southwestern Lines received their local rates as did the Western Trunk Lines, so that currently the Western Trunk Lines are receiving their local rates or in excess thereof with but one exception, and the Southwestern Lines are receiving as much less than their local rates as reflected by Block N, all of which indicates that the Southwestern Lines have been entirely too generous in the past. There is every justification, in my judgment, that the Southwestern Lines should receive on Minneapolis-St. Paul Territory traffic the same earnings as on Chicago traffic excluding the 5 per cent. advance, because that advance was not reflected in the joint through rates (Tr. 5154-5155-5156.)

Traffic moving on through commodity rates on which there are no corresponding commodity specifics between Milwaukee Territory and East St. Louis, Ill., in Illinois Freight Association Division Sheet No. 5, the Western Trunk Lines receive the same earnings as in division of a through class rate, forcing the Southwestern Lines to make the same shrink in cents per hundred pounds in division of a through commodity rate as they would shrink in division of a higher through class rate. Sheet No. 8 of this Exhibit covers rates and divisions between Minneapolis-St. Paul Territory and Arkadelphia, Ark., via East St. Louis, Ill. This sheet portrays a similar situation as on Bald Knob, Ark. traffic. All that I have said with respect to the divisions between Minneapolis-St. Paul Territory and Bald

Knob in applicable to Arkadelphia, Ark., or any other local point in Arkansas (Tr. 5156-5157).

Sheet No. 9 of this exhibit covers the situation on traffic [fol. 860] between Chicago Territory and Bald Knob, Ark., a local point on the Missouri Pacific Railroad in northern Arkansas via Cairo-Gale-Thebes, Ill. Prior to October 7, 1913, there were no joint through rates between Chicago Territory and local points in Arkansas. The lowest combination of local or proportional rates over East St. Louis or Cairo-Gale-Thebes, Ill. obtained. I have shown previously that the lowest combination to and from Chicago Territory was made over Cairo-Gale-Thebes, Ill. prior to October 7, 1913. Block "A" of this exhibit shows the combinations showing the local rates between Chicago Territory and Cairo-Gale-Thebes, and the local rates between the latter points and Bald Knob, Ark. Naturally each line receives its local or proportional rate whichever was used in the construction of the joint through charge (Tr. 5157).

On October 7, 1913, joint through rates were established between Chicago Territory and Arkansas local points on differential basis over the base point. East St. Louis, Ill. In Block "B" the differentials are shown as well as the through rates, and in Block "C" I have shown the shrink between the Ohio River combination and the joint through rates. In division of the rates established on the differential basis over the base point East St. Louis on October 7, 1913, lines between Chicago Territory and Cairo-Gale-Thebes, Ill., continued to receive their full proportional rates, forcing the entire shrink on the Southwestern Lines between the combination over Cairo and the joint through rates established differentially over East St. Louis. The shrink on each class is reflected in Block "C." all of which was assumed by the Southwestern Lines. This condtion continued to November 16, 1914, on which date the proportional rates between Chicago Territory and Cairo-Gale-Thebes, Ill., were advanced 5 per cent. and the divisions for the Western Trunk Lines correspondingly, as reflected by [fol. 861] reference to E. B. Boyd's Tariff No. 506-D, I. C. C. No. A-523, this tariff being used at that time as a division sheet. This resulted in a further shrink on the part of the Southwestern Lines on each class as reflected by the specific figures indicated in Block "E." The total shrink assumed by the Southwestern Lines reflected by the reduction in the

through rates and the increase in the proportions to the Western Trunk Lines are reflected in the specifics on each class shown in Block "F" (Tr. 5157-5158).

I have next shown the situation as it exists currently, by indicating in Block "I" the joint through rates and the differentials observed in their construction over the base point, East St. Louis. It will be observed that the joint through rates are considerably less than the lowest combination which would be over Cairo-Gale-Thebes, notwithstanding which in division of the current through rates established on the differential basis, the lines between Chicago Territory and Cairo-Gale-Thebes received specifics published in Illinois Freight Association Division Sheet No. 5 that are almost equal to their full proportional rates, the latter being reflected in Block "J." Block "L" indicates the shrink assumed by the Western Trunk Lines in their divisions as compared with their full proportional rates, which range from ½ cent per 100 pounds on two classes, 1 cent per 100 pounds on five classes, 2 cents per 100 pounds on one class. On the contrary, the Southwestern Lines are assuming a shrink in their division below their local rates as reflected on each class indicated by Block "M." If the Western Trunk Lines are entitled to practically their full proportional rates in division of joint through rates constructed on a differential basis that is less than their division, then the Southwestern Lines ought to be entitled to the same consideration. As it is now, the Southwestern Lines are assuming practically the entire shrink in the through rates currently in effect and the Cairo combina-
[fol. 862] tion. This makes an unequal distribution of the shrink necessary for the carriers to assume. Here again on traffic moving on through commodity rates the Western Trunk Lines receive class specifics except where specific commodity divisions have been published in Illinois Freight Association Division Sheet No. 5. This forces the Southwestern Lines to assume the same shrink below their local commodity rates in division of such joint through rates as in connection with a through class rate (Tr. 5158-5159-5160).

Referring to Block "L" sheet 8 the figures indicate that on each class the Western Trunk Lines were receiving the same or in excess of their local rates to East St. Louis, ex-

cept on Class A on which they received 3 cents less than our local rate. Block "M" indicates that the Southwestern Lines are shrinking their first-class rate 35 cents and taking 5th class, for example, the Southwestern Lines shrink the local rate 9½ cents (Tr. 5160-5161).

Sheet No. 10 covers divisions between Chicago Territory and Arkadelphia, Ark., via Cairo-Gale-Thebes, Ill. This is also a local point on the Missouri Pacific. The situation is practically identical with that described in connection with Sheet No. 9 except that the shrink made by the Southwestern Lines on October 7, 1913, as shown by Block "C" and later on November 16, 1914, as shown by Block "F" is greater than on traffic to or from Bald Knob, Ark., and the situation is similar at the present time. On the other hand, the Western Trunk Lines are receiving approximately their full proportional rates as indicated by Block "L." Sheet No. 11 covers divisions between Peoria, Ill., and Bald Knob, Ark. via Cairo-Gale-Thebes, Ill. The heading at the top of this sheet should be corrected to read from Peoria, [fol. 863] Ill., instead of Peoria Territory, as Peoria is in Chicago Territory, there being no Peoria Territory. The situation with respect to divisions on Peoria traffic is similar to what I have already described in connection with Chicago Territory, Sheet No. 9, so that all that I have said with respect to the divisions between Chicago and Bald Knob, except that the lines between Peoria and Cairo-Gale-Thebes, Ill. receive the same earnings as the lines between Chicago and Cairo-Gale-Thebes, Ill., and what is true of Peoria is also true of other central and southern Illinois points, such as Springfield, Bloomington, Decatur, Danville and intermediate points, and the Southwestern Lines are making the same shrink below their local rates as in division of the same joint through rates from Chicago. This is also true of Sheet No. 12, covering divisions between Peoria and Arkadelphia, which is also a local point on the Missouri Pacific Railroad. This sheet should also be corrected in the heading to read Peoria, Ill. instead of Peoria Territory, and what is true of Bald Knob and Arkadelphia is true of all other Arkansas local points on all lines (Tr. 5161-5162).

Sheet No. 13 covers divisions between Milwaukee Territory and Bald Knob, Ark., via Cairo-Gale-Thebes, Ill. Prior to October 7, 1913, there were no joint through rates,

and the lowest combination obtained by the use of local or proportional rates between Milwaukee Territory and Cairo-Gale-Thebes, and the local rates beyond. The through charge on that basis is shown in Block "B." It will be observed that the through charge from Milwaukee Territory exceeded the through charge as shown in Block "A" to the extent of the 6 cents scale indicated in Block "B." In Block "C" I have shown the divisions which reflect for the [fol. 864] Western Trunk Lines their full proportional rates used in the construction of the joint through charge, and the Southwestern Lines also received their full local rates. On October 7, 1913, by reason of joint through rates being established between Milwaukee Territory and Arkansas local points by use of the Chicago differentials over the base point, East St. Louis, Ill., the joint through rates so established were as much less than the lowest combination previously in effect as reflected by the specifics on each class shown in Block "F." In division of these joint through rates, the Western Trunk Lines between Milwaukee Territory and Cairo-Gale-Thebes, Ill., continued to receive their full proportional rates, so that the Southwestern Lines assumed the entire reduction between the combination over Cairo-Gale-Thebes and the joint through rates established on the differential basis as shown in Block "F." This condition continued to November 16, 1914, on which date the proportional rates between Milwaukee Territory and Cairo-Gale-Thebes were advanced 5 per cent and the Western Trunk Line- in the division of the joint through rates which did not reflect the 5 per cent advance in the proportional rates between Milwaukee Territory and Cairo-Gale-Thebes received a 5 per cent advance in their divisions, which was also assumed by the Southwestern Lines as specifically shown in Block "H" on each class. The total shrink assumed by the Southwestern Lines by reason of the establishment of joint through rates on the differential basis referred to as compared with the combination over Cairo-Gale-Thebes, and the advance of 5 per cent in the proportions to the Western Trunk Lines resulted in a total shrink on November 16, 1914, on the part of the Southwestern Lines as specifically shown on each class in Block "I," but the Western Trunk Lines continued to receive their full proportional rates and assumed no part of any [fol. 865] shrink. That condition continued to Federal con-

trol, and was perpetuated after Federal control, and in the current divisions. I have next shown what the situation is currently by indicating what the current combinations would be over Cairo-Gale-Thebes, Ill., in Block "K" as compared with the current combinations shown in Block "J" between Chicago Territory and Bald Knob, Ark., indicating that Milwaukee continues to maintain a substantial spread in their proportional rates over the proportional rates from or to Chicago; however, the joint through rates between Milwaukee Territory and Arkansas local points are the same as between the Chicago Territory and Arkansas Local points by reason of the application of the Chicago differentials to and from Milwaukee Territory. Block "F" shows the current through rates, and now constructed between Milwaukee territory and Bald Knob, Ark., and between Chicago Territory and Bald Knob, Ark. Block "M" shows the full current proportional rates between Milwaukee Territory and Cairo-Gale-Thebes, Ill., and Block "N" shows the divisions received by the Western Trunk Lines currently, which are approximately their full proportional rates, the shrink below their full proportional rates on each class being reflected in Block "O," which are almost nil. On the other hand, the Southwestern Lines make a substantial shrink in their divisions as compared with their local rates. This is reflected by Block "P." All of this points out that with the establishment of joint through rates on October 7, 1913, between Milwaukee Territory and Arkansas local points, on the basis of the Chicago differentials, that the Southwestern Lines should have received Chicago revenue instead of permitting the Western Trunk Lines to continue receiving the same divisions in connection with the through rates established on the differential basis as they received before joint through rates were [fol. 866] established, in other words, their full proportional rates. (Tr. 5162-5163-5164-5165).

I have previously dwelt upon the division of through commodity rates on which the Western Trunk Lines received their class specifics in the absence of specific commodity divisions forcing the Southwestern Lines to assume the same shrink in the division of through commodity rates as in division of higher through class rates. Sheet No. 14 covers rates and divisions between Milwaukee Territory and Arkadelphia, Ark., via Cairo-Gale-Thebes, Ill.,

which is also a local point on the Missouri Pacific. The situation is somewhat similar as explained in connection with Sheet No. 13, except that the Southwestern Lines are assuming a greater shrink below their local rates as on Bald Knob traffic. Sheet No. 15 covers rates and divisions between Minneapolis-St. Paul Territory and Bald Knob, Ark., via Cairo-Gale-Thebes, Ill. Prior to October 7, 1913, no joint through rates were in effect between Minneapolis-St. Paul Territory and local points in Arkansas, and it will be observed from Blocks "A" and "B" that the lowest combination was over East St. Louis, and that in some cases the East St. Louis and the Cairo-Gale-Thebes combinations were the same. The local rates between Minneapolis-St. Paul Territory and East St. Louis, also Cairo-Gale-Thebes, Ill., was published in W. H. Hosmer's Tariff No. 5-F, I. C. C. No. A-422. It follows that when the joint through charge was lower on basis of the East St. Louis combination than via Cairo-Gale-Thebes, the traffic would necessarily move through East St. Louis, except where the Cairo and the East St. Louis combinations were the same, in which event if the traffic was interchanged at East St. Louis the lines between Minneapolis-St. Paul Territory and East St. Louis would receive a division of the local rates to or from Cairo-Gale-Thebes, Ill. (Tr. 5165-5166).

[fol. 867] I have next shown the joint through rates established on October 7, 1913, on the reduced Minneapolis-St. Paul Territory differential over East St. Louis, and the divisions received by the Western Trunk Lines between Minneapolis-St. Paul Territory and Gale-Cairo-Thebes, Ill., which are based on allowing the Southwestern Lines the same revenue as on similar traffic from Milwaukee Territory. It will be observed from Blocks "E" and "F" that the Western Trunk Lines have assumed a substantial shrink in their divisions on some of the classes, and on two of the classes received their full local rates, and that the Southwestern Lines also made a substantial shrink, in fact a greater shrink taking into consideration all of the classes as compared with the shrink by the Western Trunk Lines (Tr. 5166-5167).

I have shown in Block "G" the differentials that obtained between Minneapolis-St. Paul Territory and Arkansas Common Points on October 1, 1896, as compared with June

1, 1898, and the reductions in the differentials on each class. When the joint through rates on October 7, 1913, were established they were on the basis of the reduced differentials shown in Block "G" all of which was brought about by the discontinuance of the Milwaukee differentials and the substitution of Chicago differentials to and from Milwaukee Territory, which made a corresponding reduction in the differentials to and from Minneapolis-St. Paul Territory. This resulted in the Southwestern Lines assuming the shrink referred to in the differentials because when the joint through rates were established between Minneapolis-St. Paul Territory and local Arkansas points, they were on the basis of the reduced differentials (Tr. 5167).

[fol. 868] On November 16, 1914, as shown by Block "H", the same joint through rates were in effect as shown in Block "C" on October 7, 1913, however, because the Southwestern Lines received Milwaukee revenue on Minneapolis-St. Paul Territory traffic, and because there was an advance of 5 per cent in the proportional rates between Milwaukee Territory and Cairo-Gale-Thebes which the Southwestern Lines accorded the Western Trunk Lines on Milwaukee Territory traffic, naturally the same advance in cents per 100 pounds that was made to the Western Trunk Lines on Milwaukee Territory automatically were made in the division of through rates from Minneapolis-St. Paul Territory; however there was no advance in the local rates between Minneapolis-St. Paul Territory and Cairo-Gale-Thebes or East St. Louis, Ill., so that the Southwestern Lines were not warranted in making the latter advance in the divisions to the Western Trunk Lines; further, there was no corresponding advance in the through rates, so that the Southwestern Lines assumed a further shrink on each class as indicated by Block "I" (Tr. 5168).

I have next shown the situation currently by indicating the current through rates and the differentials observed in their construction over the base point East St. Louis, Ill., and in Block "K" the divisions received by the Western Trunk Lines as compared with the Southwestern Lines, indicating that the divisions north of Cairo exceed the differentials North of East St. Louis almost 50 per cent, and further, that the divisions currently received by the Western Trunk Lines as indicated in Block "K" exceed the

local rates between Minneapolis-St. Paul Territory and Cairo-Gale-Thebes, Ill., on four of the classes, on one of the classes they receive their local rates, and on five of the classes they receive less than their local rates by the specifics shown. On the other hand, the divisions received by [fol. 869] the Southwestern Lines in all cases are less than their local rates by substantial amounts as indicated by Block "N". On Minneapolis-St. Paul Territory traffic to and from Arkansas local points in my judgment, the Southwestern Lines on and after October 7, 1913, should have received as their division the same revenue as on the same traffic to or from Chicago Territory, and with no increase to the Western Trunk Lines, because of the 5 per cent advance in their rates made on November 16, 1914, which did not apply to or from Minneapolis-St. Paul Territory (Tr. 5168-9).

Traffic moving on through commodity rates on which there are no corresponding commodity specifics in Illinois Freight Association Division Sheet No. 5 are subject to the lines north receiving class specifics. I have dwelt on this feature several times, and I do not believe it necessary to further dwell on that point. Sheet No. 16 covers rates and divisions between Minneapolis-St. Paul Territory and Arkadelphia, Ark. This portrays the same basic principle as outlined in connection with Sheet No. 15, except that currently the Southwestern Lines are making a greater shrink below their local rates as on Bald Knob traffic (Tr. 5169).

Our Local Agent says that on traffic from Minneapolis-St. Paul territory handled on local transfers, the local rates are held as maxima, but the Accounting Department has not time to watch those things on through billed traffic. The local rates are supposed to be held as maxima, but that isn't done on through billed traffic. That is due to the fact that the Auditing Departments generally have too much work to do. While I believe and as I think most of the lines do, that no lines should receive more than the local rate in the division of the joint through rate, why it is an awful cumbersome provision to insert in division sheets, and the executives of all the lines are trying to simplify [fol. 870] divisions and when a clause of that kind is placed in the division sheet, it has the opposite effect every time. Now, where divisions do not exceed the local rates, why

then there's something the matter with divisions, and they ought to be changed so as not to bring about that condition as a whole (Tr. 5170-5171).

[fol. 871] My Exhibit No. A-144, Sheet No. 1, covers divisions between Dubuque and Clinton, Iowa, located in Chicago Territory west of the Mississippi River and Little Rock, Arkansas, via East St. Louis, Illinois. The same joint through rates are currently in effect between Chicago Territory west of the Mississippi River and Arkansas common and local points as between Chicago Territory east of the Mississippi River and Arkansas common and local points, the through rates being made by the use of the same differentials over the base point, East St. Louis as reflected by Block "A". In the division of all such point through rates between West bank Mississippi River points in Iowa, located in Chicago territory, the lines between such west bank Mississippi River points and East St. Louis receive specifics published in Illinois Freight Association Division Sheet No. 5 as reflected in Block "B" or in other words, the same specifics as published in the same division sheet as between Chicago Territory east of the Mississippi River and East St. Louis. I have also shown the full current proportional rates between Dubuque and Clinton, Iowa and East St. Louis in Block "C", and the local rates between East St. Louis and Little Rock, Arkansas. It will be noted from Block "D" that the divisions received by the Western Trunk Lines are practically their full current proportional rates, and that the divisions received by the Southwestern Lines reflect substantial reductions below their current local rates, in fact it can be said that the Western Trunk Lines are making practically no shrink in their divisions below their proportional rates, and that the Southwestern Lines are assuming practically the entire shrink between the full combination and the current through rates made by use of differentials over the base point, East [fol. 872] St. Louis. The shrink by the Southwestern Lines is shown specifically on each class in Block "F", and it will be observed that the shrink by the Southwestern Lines reflects the spread between the divisions received by the Western Trunk Lines and the differentials used in the construction of the joint through rates, all of which goes back to the point that the Western Trunk Lines are mak-

ing practically no shrink in their divisions below their full proportional rates. It will be observed that the distances between Dubuque and Clinton, Iowa, and East St. Louis, Illinois, are on the average no greater than the distances between Chicago Territory in northern Illinois and East St. Louis. There can be no justification in the Western Trunk Lines receiving divisions almost the equal of their proportional rates, and the Southwestern Lines assuming practically the entire shrink in their divisions between the combination and the differentials observed in the construction of the through rates (Tr. 5172-5173-5174).

Sheet No. 2 of this exhibit shows the rates and divisions between Dubuque and Clinton, Iowa, located in Chicago Territory west of the Mississippi River and Little Rock, Arkansas, via Cairo-Gale-Thebes, Illinois. I have shown the through rates and the divisions as currently in effect, and what I have said in connection with sheet 1 via East St. Louis is substantially true of Sheet No. 2. Sheet No. 3 of this exhibit covers rates and divisions between Dubuque and Clinton, Iowa, located in Chicago Territory west of the Mississippi River and Little Rock, Arkansas, via Kansas City, Missouri. It will be observed in Block "B" that the Western Trunk Lines receive 23 percent north of Kansas City, and the Southwestern Lines south of Kansas City 77 percent. The basis for these divisions originally was to allow the Western Trunk Lines the same earnings to Kansas City as they receive via East St. Louis, Illinois, in divi-
[fol. 873] sion of the proportional rates between Chicago Territory and Cairo-Gale-Thebes via East St. Louis, in other words, the haul of the Missouri Pacific Railroad from Kansas City, Missouri, to Little Rock, Arkansas, by 160 miles which slightly exceeds the distance between East St. Louis and Cairo, Illinois, which further brings out the point that in division of through rates between Chicago Territory and points in Arkansas, the Western Trunk Lines between Chicago territory and East St. Louis at no time should have received in excess of 65 percent of the proportional rates or specifics between Chicago Territory and Cairo, Gale or Thebes (Tr. 5174-5175).

It will be observed on the basis of 23 percent currently for the Western Trunk Lines that the divisions received via Kansas City exceed the differentials used in the con-

struction of the through rates over the base point, East St. Louis by the amount shown in Block "E", and I have shown the shrink in cents per 100 pounds on each class of the Southwestern Lines below their current local rates from or to Kansas City, the latter being shown in Block "F". East St. Louis, Illinois, is the logical gateway for the movement of traffic between west Bank Mississippi River points and points in Arkansas, and while the hauls of the Western Trunk Lines are greater to Kansas City as compared with East St. Louis, the hauls of the Southwestern Lines are also greater as pointed out in the case of Little Rock, the distance over the Missouri Pacific from Kansas City is 160 miles in excess of the distance from East St. Louis, so that if the Kansas City Gateway is to remain open, it follows no better basis could be arranged than an approximate equalization of the East St. Louis divisions via Kansas City, so that there is ample justification for the basis of the present divisions via Kansas City (Tr. 5175-5176).

(The statement described by the witness was thereupon received in evidence as Exhibit A-144.)

[fol. 874] My next exhibit No. A-145 comprises three sheets, and on Sheet No. 1 the rates and divisions are shown between Cedar Rapids, Iowa, located in Chicago Territory west of the Mississippi River and Little Rock, Arkansas via East St. Louis. Cedar Rapids, Iowa, is a central point located in Chicago territory west of the Mississippi River about equi-distance between the western and eastern boundaries of that territory, and for that reason this point was selected as representative of that territory. I have shown in Block "A" the joint through rates as currently in effect, and the differentials used in their construction which are the same as to or from Chicago Territory east of the Mississippi River. In Block "B" I have shown the divisions north of St. Louis, Missouri, or East St. Louis, Illinois received by the Western Trunk Lines, or 32 per cent, and the specifics on each class, and the same information has been shown for the Southwestern Lines south of St. Louis, Missouri, or East St. Louis, Illinois. In Block "C" I have shown the divisions that the Western Trunk Lines are receiving currently between Chicago Territory east of the Mississippi River, also west bank Mis-

sissippi River points in Chicago Territory and East St. Louis and in Block "D" the difference between the divisions received by the Western Trunk Lines and the proportional rates between Chicago Territory east of the Mississippi River, also west bank Mississippi River points and East St. Louis, Illinois, which indicate that in most cases the Western Trunk Lines between Chicago Territory west of the Mississippi River receive in excess of the proportional rates applying between Chicago Territory east of the Mississippi River also west bank Mississippi River points and East St. Louis, although the joint through rates are made by the use of the same differentials. I have [fol. 875] shown in Block "E" the excess in the divisions received by the Western Trunk Lines over the differentials used in the construction of the joint through rates over the base point, East St. Louis, Illinois. In Block "F" I have shown the current divisions received by the lines between Chicago Territory east of the Mississippi River also west bank Mississippi River points and East St. Louis, and in Block "G" the amounts in cents per 100 pounds on each class that the Western Trunk Lines receive in division of the joint through rates between Chicago Territory west of the Mississippi River, and Chicago Territory east of the Mississippi River and East St. Louis, Illinois. In Block "H" I have shown the shrink in the earnings of the Southwestern Lines in the divisions they receive as compared with their local rates. This exhibit clearly indicates that from and to the Western Trunk Line Territory involved, the Chicago Territory rates are being applied, however, in division, the Western Trunk Lines north of East St. Louis are receiving in excess of Chicago Territory division, that is, Chicago Territory east of the Mississppi River including west bank Mississippi River points. The distance from Cedar Rapids, Iowa, a centrally located point in Chicago Territory west of the Mississippi River, is about equal to the distance from representative points in northern Illinois in Chicago Territory, nothwithstanding which the Western Trunk Lines are receiving greater divisions currently between Chicago Territory west of the Mississippi River than they receive to and from Chicago Territory east of the Mississippi River, and while there are points located in Chicago territory west of the Mississippi River involving

[fol. 876] greater hauls than between Cedar Rapids and East St. Louis, so that the Southwestern Lines apparently have based the divisions on the assumption that the hauls of the Western Trunk Lines between Chicago Territory west of the Mississippi River are greater than the hauls between points in Chicago Territory east of the Mississippi River and East St. Louis, and this consideration is reflected in the spread in the divisions that the Western Trunk Lines receive currently as reflected in Block "G" over the divisions received between the same territory east of the Mississippi River and East St. Louis (Tr. 5176-5177-5178).

Sheet No. 2 of this exhibit shows the rates and divisions between Cedar Rapids, Iowa, located in Chicago Territory west of the Mississippi River and Little Rock, Arkansas, via Cairo-Gale-Thebes, Illinois. I have shown the situation currently as to rates and divisions. In Block "B" I have shown the divisions received by the Western Trunk Lines which are 36 percent, and the divisions received by the Southwestern Lines, namely 64 percent, and the divisions in cents per 100 pounds received by the Western Trunk Lines and the Southwestern Lines on each class. Block "C" I have shown for comparative purposes the full current proportional rates between Chicago Territory east of the Mississippi River, also west bank Mississippi River points and Cairo-Gale-Thebes, Illinois, and the local rates between the latter points and Little Rock. It will be observed that the divisions received currently by the Western Trunk Lines to and from Chicago Territory east of the Mississippi River and Cairo-Gale-Thebes, Illinois. In Block "E" I have shown the amounts in cents per 100 pounds on each class the divisions received by the Western Trunk Lines from the territory west of the Mississippi River over the divisions received from the territory east [fol. 877] of the Mississippi River, the joint through rates being on the same basis. This shows clearly that the Southwestern Lines are making substantial reductions in their earnings below their local rates. The distance between Cedar Rapids, Iowa, a point centrally located in Chicago Territory west of the Mississippi River and Cairo, Illinois, on the average is about the equal of the distance between northern Illinois points in Chicago Territory and Cairo, Illinois, also indicated on this exhibit.

Sheet No. 3 of this exhibit covers the divisions via Kansas City, Missouri. It shows that the Western Trunk Lines are receiving 23 per cent north of Kansas City, and the Southwestern Lines 77 percent south of Kansas City. This sheet portrays the same situation as explained in connection with my previous exhibit, Sheet No. 3, covering divisions between Dubuque and Clinton, Iowa, located in the same territory and Little Rock, Arkansas, via Kansas City, Missouri, except that the distance from Cedar Rapids, Iowa, to Kansas City, Missouri, is less than the distance between Dubuque or Clinton, Iowa, and Kansas City, Missouri. I have also shown the distance over the Missouri Pacific Railroad from Kansas City, Missouri, to Little Rock, indicating that the haul of the Missouri Pacific from Kansas City is 160 miles in excess of the haul from St. Louis (Tr. 5179-5180).

There are no divisions in effect between Chicago Territory west of the Mississippi River and Arkansas local points via East St. Louis, Illinois, St. Louis, Missouri, Cairo-Gale-Thebes, Illinois, or Kansas City, Missouri, however, to or from Arkansas common points the Western Trunk Lines north of any of the gateways mentioned receive Little Rock avenue. This feature will be covered later in my testimony (Tr. 5180-5181).

[fol. 878] (The Statement described by the Witness was thereupon received in evidence as Exhibit A-145.)

[fol. 879] My exhibit No. A-146 comprises three sheets, and applies between points in Davenport Territory as shown on Exhibit No. A-138, which is a map of that territory and Little Rock, Arkansas. Sheet No. 1 of this exhibit shows the rates and the divisions via East St. Louis. It will be observed from Block "A" that the rates between points in Davenport Territory and Little Rock and other Arkansas common and local points are made on differentials lower than the differentials applying between Chicago Territory and Arkansas points over the base point, East St. Louis. In Block "B" I have shown the divisions received by the lines north of St. Louis, Missouri or East St. Louis, Illinois, on each class, and the divisions received by the Southwestern Lines. The percentages through oversight have not been shown, but the divisions shown in Block

"B" are based on the lines north of St. Louis, Missouri, or East St. Louis, Illinois, receiving 29 percent and the lines south 71 percent, which is the agreed divisions on Little Rock, Arkansas traffic. The divisions of 29 percent received by the Western Trunk Lines was arranged with the idea of according the Southwestern Lines the same revenue on the average as they receive between Chicago Territory and Little Rock, Arkansas, via East St. Louis, Illinois. It will be observed that the joint through rates between Davenport Territory and Arkansas Points were constructed on differentials over the base point, East St. Louis, Illinois. The present percentages referred to do not bring about this result when applied to the current rates, evidently because of the many readjustments that have taken place in the rates between East St. Louis and St. Louis and Arkansas points, so that currently the Southwestern Lines are shrinking below their local rates amounts considerably in excess [fol. 880] of the shrink on Chicago traffic east of the Mississippi River which does not seem to be justified from the standpoint of distances as compared with points in Chicago Territory in Illinois. Some modification should be made in these percentages so as to more nearly accord the Southwestern Lines the same revenue on traffic between Davenport Territory and points in Arkansas as the Southwestern Lines receive currently, or as may be modified by this proceeding between Chicago territory east of the Mississippi River and points in Arkansas (Tr. 5181-5182).

Sheet No. 2 of this exhibit outlines the rates and the divisions between points in Davenport Territory and Little Rock, Arkansas, via Cairo-Gale-Thebes, Illinois. In Block "B" I have shown the divisions received by the Western Trunk Lines and by the Southwestern Lines in cents per 100 pounds on each class, but inadvertently the percentages were not shown. The percentages accord the Western Trunk Lines 33 percent, and the Southwestern Lines 67 percent, and the divisions as worked out in cents per 100 pounds are arrived at by the use of these percentages. These percentages were arranged so as to accord the Southwestern Lines the same revenue in cents per 100 pounds on the average as they receive on similar traffic between Chicago Territory east of the Mississippi River and Little Rock,

Arkansas, via Cairo-Gale-Thebes, Illinois. Because of the many readjustments in the rates between East St. Louis, also Cairo-Gale-Thebes, Illinois, and Arkansas points, the percentages referred to accord the Southwestern Lines considerably less between Davenport Territory and Little Rock, Arkansas, than they receive between Chicago Territory east of the Mississippi River and Little Rock, Arkansas. This is reflected more clearly in Block "F", which [fol. 881] indicates the shrink by the Southwestern Lines between the divisions they currently receive and the local rates south of Cairo-Gale-Thebes, Illinois, which on every class exceed the shrink that the Southwestern Lines currently assume below the local rates between Chicago Territory and Little Rock, Arkansas. The through rates between Davenport Territory and Arkansas points are made on differentials that are somewhat lower than the differentials to and from Chicago Territory (Tr. 5182-5183).

Sheet No. 3 covers the rates and divisions between Davenport Territory and Little Rock, Arkansas, via Kansas City, Missouri. In Block "B" I have shown the divisions received by the Western Trunk Lines and by the Southwestern Lines in cents per 100 pounds on each class. Through oversight the percentages were not shown. The percentages are north of Kansas City 21 percent south 79 percent. The basis for the division of 21 percent north of Kansas City was to accord the Western Trunk Lines via Kansas City, Missouri, the same revenue as they receive via East St. Louis, Illinois, in division of the proportional rates, or the specifics applicable between Chicago Territory and Cairo-Gale-Thebes, Illinois. This basis was arranged because the hauls of the Southwestern Lines from Kansas City, Missouri, exceed the haul from East St. Louis by 160 miles, that being the distance over the Missouri Pacific Railroad. East St. Louis, Illinois, is the logical gateway, and forms a shorter through route as compared with the Kansas City gateway, so that there is ample justification for equalizing the East St. Louis divisions via Kansas City because the hauls of the Western Trunk Lines between Davenport Territory and Kansas City are generally greater than the hauls between points in Davenport Territory and

East St. Louis, and what is said of the Western Trunk Lines with respect to greater distances via Kansas City [fol. 882] as compared with East St. Louis is also true of the Southwestern Lines, so that both groups of lines because of their longer hauls through the Kansas City gateway decided to equalize the East St. Louis divisions (Tr. 5184).

There are no divisions between points in Davenport Territory and local points in Arkansas. To and from common points in Arkansas via any of the gateways mentioned in connection with this exhibit the Western Trunk Lines receive Little Rock revenue, so that it was necessary that divisions should be fixed to cover all points in Arkansas, regarding which I will have something to say later on (Tr. 5184-5185).

(The statement described by the Witness was thereupon received in evidence as Exhibit A-146.)

[fol. 883] My Exhibit No. A-147 covers rates and division between points in Des Moines Territory and Little Rock, Arkansas. It will be observed from Exhibit No. A-138 that Des Moines Territory is immediately west of Davenport. The joint through rates between points in Des Moines Territory and Arkansas points are made on differentials over the base point, East St. Louis, Illinois. It will be observed the differentials used in construction of the joint through rates between Des Moines Territory and Arkansas points exceed the differentials between Chicago Territory and points in Arkansas, and that the differentials, Des Moines Territory over East St. Louis also exceed the Davenport Territory differentials over East St. Louis. This is evidently because of the greater distance between points in Des Moines territory and East St. Louis as compared with Chicago Territory east of the Mississippi River and East St. Louis. It will be observed from Block "C" that the Southwestern Lines receive the same revenue between points in Des Moines Territory as they receive on traffic between points in Davenport Territory and points in Arkansas, and that the Western Trunk Lines receive the spread in the differentials, Des Moines Territory over Davenport Territory earnings. It will be observed, how-

ever, from Block "G" that the divisions received by the Western Trunk Lines between Des Moines Territory and East St. Louis, Illinois, exceed the divisions received by the Western Trunk Lines between Chicago Territory and East St. Louis by the amounts shown on each class in that block, and that the spread in the divisions received by the Western Trunk Lines, Des Moines Territory over Chicago Territory exceed by substantial amounts on each class the spread in the differentials, Des Moines Territory over Chicago Territory, as indicated by Block "D" (Tr. 5185-5186).

[fol. 884] Block "H" shows the shrink in the divisions by the Southwestern Lines below their current local rates which are are in excess of the shrink that the Southwestern Lines are making currently on Chicago Territory traffic. I have shown the distance from Des Moines, Iowa, to St. Louis, Missouri, on this sheet. The distance from Des Moines, Iowa, to St. Louis, Missouri, exceeds the distance between Chicago, Illinois, and East St. Louis, Illinois, although no greater than the distance between Illinois points in Chicago Territory shown and East St. Louis; however, the joint through rates are made by the use of higher differentials over the base point, East St. Louis, than between Chicago Territory and East St. Louis, and it is assumed the reason for the higher differentials is because of the greater generally between points in Des Moines Territory and East St. Louis as compared with Chicago Territory and East St. Louis. Some revision should be made in these percentages so as to more nearly allow the Southwestern Lines the same revenue on traffic between Des Moines Territory and Arkansas points as they receive or as may be determined in this proceedings between Chicago Territory and East St. Louis and Arkansas points, because there is no reason why the Southwestern Lines should assume a greater shrink below their local rates on Des Moines Territory Traffic than they shrink on Chicago Territory traffic (Tr. 5186-5187).

Sheet No. 2 of this exhibit covers the divisions via Cairo-Gale-Thebes, Illinois. The Southwestern Lines as indicated by Block "C" receive the same revenue as to or from Davenport Territory. Here again it will be observed that

while the differentials used in constructing joint through rates to and from Des Moines Territory are in excess of the Chicago differentials also the Davenport differentials, [fol. 885] the divisions, however, received by the Western Trunk Lines between Chicago Territory and East St. Louis in amounts on each class considerably in excess of the spread in the differentials Des Moines Territory over Chicago Territory as reflected by a comparison shown in Block "E" as compared with Block "D". In other words, the Southwestern Lines should be accorded the same divisions on Traffic to or from Des Moines Territory as they receive on Traffic to or from Chicago Territory (Tr. 5187-5188).

Sheet No. 3 shows the divisions via Kansas City, Missouri. It will be observed from Block "C" that in arranging divisions between Des Moines Territory and Little Rock, Arkansas, via Kansas City, Missouri, that we have a reversal of the situation, in that the lines north of Kansas City receive 23 percent of the Davenport Territory rates, or in other words, Davenport revenue instead of the lines south of Kansas City, Missouri. This is brought about by the fact that the rates from Des Moines Territory are based on differentials over the base point, East St. Louis and are in excess of the Davenport Territory differentials as brought out in Blocks "A" and "B" which as previously stated was because of the greater hauls of the Western Trunk Lines between Des Moines Territory and East St. Louis. Via Kansas City, Missouri, which is the junction point, I am now discussing the divisions reflect a reversal of the situation as compared with the East St. Louis gateway, in that the hauls of the Western Trunk Lines between points in Des Moines territory and Kansas City are generally less than the hauls between points in Davenport Territory and Kansas City, and because the hauls of the Southwestern Lines from Kansas City to Little Rock are greater to the extent of 160 miles than the distance between East St. Louis and Little Rock, the Southwestern Lines have [fol. 886] been accorded the benefit of the increase in the differentials, Des Moines Territory over Davenport Territory because of this greater service and the shorter service of the Western Trunk Lines from Des

Moines Territory to Kansas City as compared with Davenport Territory to Kansas City. Notwithstanding this situation the Southwestern Lines continue to receive divisions south of Kansas City that are substantially less than their local rates (Tr. 5188-5189).

No divisions are in effect between points in Des Moines Territory and local points in Arkansas. To and from all other Arkansas Common points the Western Trunk Lines receive via all of the gateways mentioned Little Rock revenue. Divisions should be arranged between points in Des Moines Territory and all points in Arkansas via all of the crossings in percentages to and from each point in Arkansas that will accord the Western Trunk Lines approximately the same specifics on each class regardless of the origin or destination in Arkansas (Tr. 5189).

(The statement described by the Witness was thereupon received in evidence as Exhibit A-147.)

[fol. 887] Exhibit No. A-148 comprises three sheets and covers the rates and divisions between points in Omaha Territory and Little Rock, Arkansas. It will be observed from Exhibit No. A-138 that Omaha Territory is west and north of Des Moines Territory, and west of Chicargo Territory located west of the Mississippi River. On Sheet No. 1 I have shown the joint through rates between points in Omaha Territory and Little Rock in Block "A", also the rates in Blocks "B" and "C" between Des Moines Territory and between Davenport Territory and Little Rock. The through rates between points in Omaha Territory and Arkansas points are published specifically, and are not based on differentials over the base point, East St. Louis, Illinois, as was the case in building rates to and from other territories in Western Trunk Line Territory previously described. It will be observed from Block "D" that the lines south of East St. Louis, Illinois, receive Davenport Territory Revenue. This division was arranged so as to accord the Western Trunk Lines the spread in the rates, Omaha Territory over Davenport Territory, which are reflected by a comparison of the rates shown in Block "C" as compared with Block "A," and because of the greater distance between points in Omaha territory and East St.

Louis as compared with Davenport Territory and East St. Louis, however, it will be observed that there is a variation in the rates as between Des Moines Territory and Omaha Territory, the reason for which I do not knew, however, there is a substantial spread in the rates between points Omaha Territory over the rates to and from Devenport Territory, which accounts for the divisions for the Southwestern Lines being based on Davenport earnings so as to accord the Western Trunk Lines evidently the spread in the rates Omaha Territory over Davenport Territory, which [fol. 888] are substantial. The Southwestern Lines are shrinking substantial amounts in cents per 100 pounds on each class below their local rates between East St. Louis and Little Rock as reflected by Block "H" (Tr. 5190-5191).

Sheet No. 2 shows the divisions via Cairo-Gale-Thebes, Illinois, and the situation with respect to divisions is the same as explained in connection with sheet No. 1 that is, the Southwestern Lines receive Davenport revenue for the same reason. This also results in the Southwestern Lines receiving substantial reductions below their local rates. Sheet No. 3 covers divisions via Kansas City. The situation with respect to divisions via Kansas City is similar to the situation explained with respect to Des Moines Territory via Kansas City, that is, the Western Trunk Lines receive Davenport revenue because of their shorter hauls between Omaha Territory and Kansas City as compared with Davenport Territory and Kansas City, and the Southwestern Lines are receiving Davenport revenue plus the spread in the rates Omaha Territory over Davenport Territory because of their greater hauls from Kansas City as compared with East St. Louis all of which apparently is fully justified (Tr. 5191-5192).

There are no divisions between Points in Omaha Territory and Arkansas local points. To and from all other common points in Arkansas, the Western Trunk Lines via all of the gateways mentioned receive Little Rock revenue, so that it is necessary to arrange divisions between points in Omaha Territory and all points in Arkansas that will result in the Western Trunk Lines receiving uniform specifics on each class via a given gateway, and the Southwestern Lines will receive the spread in the rates as the

rates become higher for greater distances. This feature will also be dwelt upon later on (Tr. 5192).

[fol. 889] (The statement described by the Witness was thereupon received in evidence as Exhibit A-148.)

[fol. 890] My Exhibit No. A-~~149~~ covers divisions between points in Kansas City Territory on the C. B. & Q. and Wabash Railroads and Little Rock, Arkansas. Sheet No. 1 of this exhibit shows the current through rates between Kansas City Territory and Little Rock, Arkansas, and the divisions north and south of St. Louis, Missouri, which are 40% north and 60% south. I have also shown the rates between St. Louis Territory and Little Rock and the amounts the Southwestern Lines are shrinking below their locals on the basis indicated in Block "D". The division of 40% for the Western Trunk Lines is excessive in my opinion. Accordingly I have shown in Block "E" the local rates between representative points in Kansas City Territory in the eastern, central and Western portions of that territory and St. Louis, Missouri, and the average from all points as compared with the average of the rates from St. Louis, Missouri, to Little Rock, Arkansas. On a rate prorate basis of the average of the ten classes referred to, the Western Trunk Lines would receive 26.2% and the Southwestern Lines 73.8%, indicating clearly that the divisions received by the Western Trunk Lines are excessive (Tr. 5192-5193).

I am telling you in my opinion it proves it. I am expressing my own opinions in full. You may differ with them. I might say, Mr. Towner, for your information that that division received by the Western Trunk Lines is the same that they get on New Orleans traffic. That is the Kansas City-New Orleans division via New Orleans gateway for the lines in Missouri between Kansas City and St. Louis. In other words, that is a highly competitive situation which has been reflected in these divisions to Arkansas. It will be observed that joint through rates between points in Kansas City Territory and Little Rock, Arkansas, are lower than the rates to or from Chicago, Davenport and Des Moines territories. Accordingly, in my opinion, the South-
[fol. 891] western Lines should be accorded the same revenue as on Davenport traffic. This because the joint through rates are lower between Kansas City and Little Rock as

Davenport Territory, the reason for which is because generally the service between points in Kansas City Territory is less to either St. Louis or Kansas City, Missouri, as between points in Des Moines or Davenport Territories, and St. Louis, or Kansas City, Missouri. This is evidently the basis for the rates, at least their construction so indicates, and accordingly the shrink between Davenport and Kansas City Territory rates should be taken care of by Western Trunk Lines, the effect of which would be to allow the Southwestern Lines the same revenue as on Davenport traffic (Tr. 5193-5194).

Sheet No. 2 of this exhibit covers the divisions via Kansas City, Missouri. I have shown in Block "B" the divisions north of Kansas City received by the Western Trunk Lines, which are 21% and for the Southern Lines 79%, and the resulting divisions in cents per 100 pounds on each class. I have also shown in Block "C" the amounts Southwestern Lines are shrinking currently below their current local rates between Kansas City, Missouri, and Little Rock, Arkansas, all of which are substantial. I have shown what the divisions would be on a rate pro rate, using representative points in Kansas City territory in the eastern, central and western portions of that territory, and Kansas City, the average of which is shown in Block "D". I have also shown the average of the class rates between Kansas City, Missouri, and Little Rock, Arkansas. On a rate pro rate basis the Western Trunk Lines would receive 27% and the Southwestern Lines 73%. In Block E, I have shown the mileages [fol. 892] between the same representative points in Kansas City Territory and Kansas City, Missouri, the average of which is 149 miles, and I have also shown the mileages from Kansas City to Little Rock. A mileage pro rate on this basis would result in Western Trunk Lines receiving 22.8%, as compared with the current division of 21%. I have also shown in Block "E" the mileage between Ferguson, Missouri, and Kansas City, Missouri, Ferguson being located on the south bank of the Missouri River, immediately beyond St. Louis, and reflects the greatest distance between points in Kansas City Territory affected by these divisions and Kansas City, Missouri. Because Kansas City Territory extends from the Mississippi River to the Missouri River, and traffic between any point in Kansas City

territory can move via Kansas City, Missouri, I have taken 50% of the Ferguson, Missouri-Kansas City, Missouri, mileage as a factor and arrived at percentage on mileage prorate on that basis. It will be observed this results in a division of 20.7% for the Western Trunk Lines as compared with division of 21% currently. This accords the Western Trunk Lines as great a division for their longer hauls East of the central part of Kansas City Territory as for their shorter hauls West of the central part of Kansas City Territory; however, I am inclined to the view that the Southwestern Lines should be allowed the same revenue as on Davenport Territory, because the hauls from points in Kansas City territory to Kansas City are less than the hauls between points in Davenport Territory and Kansas City, and because of that condition the rates between Kansas City territory and Arkansas points are lower than the rates between points in Davenport Territory and Arkansas points, and this condition being reflected in the rates, they should be correspondingly reflected in the divisions. Therefore, my suggestion is that the Southwestern Lines should be ac-[fol. 893] corded the same revenue between points in Kansas City Territory and Arkansas points as to and from Davenport Territory (Tr. 5194-5195-5196).

That would result in a decrease in the 21% via Kansas City north. In Block "F" on sheet 2 I have just shown there what Davenport revenue would allow south and north. The present division of 21% is very close to a rate pro rate on the local rates north and south. It is very close to a mileage pro rate. I do not think the rate pro rate is wrong in this instance and should be changed. This division of 21%, if it is wrong, is not far wrong. I think we ought to have a basis for these divisions and I am trying to establish one basis for the entire territory west of the river and that is, generally speaking, Davenport. It just happens that the application would reduce the divisions north, not that I am trying to get any more money, because there isn't much involved in the territory really. We have got to get some sound basis for these divisions, that is the point I am trying to get at; we haven't got a sound basis for them. We jump from one end to another just to suit our own convenience. That is the way it has been in the past. I think I found in one case, I don't recall just where it was, I think

it was in Milwaukee territory, where the Southwestern Lines I thought were getting more than they were entitled to. I think that was on Louisiana or Texas traffic, I don't recall which now, but so far I haven't found any case where I think the Southwestern Lines are getting too much. I have found more cases where I think we are not getting sufficient. I have gone into this question of divisions a little deeper this time than I ever have before. The opportunity presented itself for that purpose (Tr. 5196-5197-5198).

The divisions between points in Kansas City territory and Arkansas points are very limited; in other words, they [fol. 894] are not published between all points in Kansas City territory on all lines, and Arkansas common points, and there are no divisions whatever between points in Kansas City Territory and Arkansas local points, except on the few commodities which are covered by individual issues; however, the Missouri Pacific, and I believe other Southwestern Lines, have an arrangement with the C. & A. R. R., applying between Mexico, Cedar City, Centralia, Higbee, Glasgow and Blue Springs, Missouri, and Arkansas common points via East St. Louis, Illinois, that are published in Missouri Pacific Division Basis No. 4368-A, that accord the C. & A. R. R. percentages that range from 25% to as high as 42%. These divisions are excessive for the Western Trunk Lines, in my judgment, in view of what I have said with respect to Kansas City Territory. Divisions should be arranged between all points in Kansas City Territory and all points in Arkansas via St. Louis, Missouri, and Kansas City, Missouri, based on the specifics on each class as shown by Sheets Nos. 1 and 2 of this exhibit, the average of which should be the factor for the Western Trunk Lines and the factor for the Southwestern Lines should be the average of the balance of the Class rates, the ten class rates, between Kansas City Territory and each Arkansas point. Percentages should be arranged on this basis which would fluctuate for the Western Trunk Lines and for the Southwestern Lines, as the rates become higher for the greater hauls of the Southwestern Lines. However, the fluctuating percentages for the Western Trunk Lines applied to the actual rates would bring about the same division in cents per 100 pounds on each class for the Western Trunk Lines,

regardless of the destination or origin in Arkansas and such percentages should be applied to all traffic (Tr. 5198-5199).

[fol. 895] (The statement described by the Witness was thereupon received in evidence as Exhibit A-149.)

[fol. 896] My Exhibit No. A-150 covers divisions between points in Estherville Territory and Little Rock, Arkansas. On Sheet 1, I have shown rates and divisions via East St. Louis currently in effect. It will be observed that the Southwestern Lines receive the same revenue south of East St. Louis, Illinois, as to or from Chicago territory west of the Mississippi River; in other words, 68% of the Chicago territory rates. The differentials that are used in the construction of the joint through rates between points in Estherville territory and Arkansas points over the base point, East St. Louis, Illinois, are substituted and are considerably higher than the differentials over Chicago territory, and they are also substantially higher than the current Minneapolis-St. Paul differentials. A comparison is shown in my exhibit No. A-141. It will be observed from Block "C" that the divisions currently received by the Western Trunk Lines are in excess of the local rates between Estherville, Iowa, a representative point in that territory and East St. Louis, except on Classes 1 and 2, so that with this exception, by reason of the fact that the Southwestern Lines do not allow the Western Trunk Lines in excess of their local rates nor do I understand the Western Trunk Lines require more than their local rates, the effect of the present basis of divisions is to allow the Western Trunk Lines their full, current local rates, with the exception of Classes 1 and 2. On the other hand, the Southwestern Lines are receiving considerably less than their current local rates as indicated in Block "E"; so that summing up the situation, the Western Trunk Lines are receiving their local rates and the Southwestern Lines are assuming the entire shrink between the joint through rates constructed on the differential basis and the combination over East St. Louis. This exhibit clearly indicates that the divisions received by the Western Trunk Lines are excessive (Tr. 5199-5200).

[fol. 897] I reached that conclusion because they get their local rates or better. When you have a joint through rate that is less than the combination and one group of lines

receive generally as much as their local rates and the other group of lines receives less than their local rates, why there is something the matter with that division in my opinion. Those situations were probably not intended but they automatically work out that way. In my judgment, the Southwestern Lines should be allowed the same revenue on traffic between points in Estherville Territory as on traffic to or from Chicago territory, east of the Mississippi River; I say this, because the differentials—Estherville Territory, as compared with Minneapolis-St. Paul or Chicago Territory differentials are substantially higher, and are higher because of the greater service, so that the Western Trunk Lines should receive the spread in the differentials Estherville territory over Chicago territory for their greater hauls as compared with Chicago territory east of the Mississippi River (Tr. 5201).

Sheet No. 2 covers divisions via Cairo-Gales-Thebes, Illinois. Southwestern Lines receive the same revenue as on traffic to or from points in Chicago territory west of the Mississippi River or 64% of the Chicago Territory rates and the Western Trunk Lines receive the remainder of the joint through rates to or from Estherville Territory. It will be observed from Blocks "D" and "E" that the Western Trunk Lines are receiving less than their local rates except on Classes 4 and 5, on which the divisions accorded the Western Trunk Lines are in excess of local rates. On the other hand, as indicated by Block "F," the Southwestern Lines, on all classes receive substantially less than their local rates. The Southwestern Lines do not shrink as much below their locals on traffic interchanged at Cairo-Gale-Thebes as they shrink on traffic interchanged at East St. [fol. 898] Louis on basis of the current divisions. This is evidently because the hauls of the Southwestern Lines from Cairo-Gale-Thebes, Illinois, are less than the hauls to or from East St. Louis. On the other hand, the Western Trunk Lines are shrinking more on traffic interchanged at Cairo-Gale-Thebes, Illinois, as compared with East St. Louis on which they are doing no shrinking because of their longer hauls to or from Cairo-Gale-Thebes, as compared with East St. Louis. Here again, I am of the opinion that the Southwestern Lines should be accorded the same

revenue as to or from Chicago territory east of the Mississippi River (Tr. 5201-5202).

Sheet No. 3 covers divisions via Kansas City, Missouri. I have shown on Block "B" the divisions as currently in effect for the Western Trunk Lines and for the Southwestern Lines on each class. It will be observed that the Western Trunk Lines are receiving the same revenue as on Minneapolis-St. Paul territory traffic. On impulse, it may appear the Southwestern Lines should receive Minneapolis-St. Paul revenue and the Western Trunk Lines the remainder of the joint through rates because the joint through rates between Estherville Territory and Arkansas are higher than between Minneapolis-St. Paul territory and Arkansas, because of the high differentials used in their construction; however, on referring to my Exhibit No. A-138, which is a map of the various rate territories, within Western Trunk Lines territory, on Arkansas traffic it will be observed that the hauls of the Western Trunk Lines between Estherville Territory and Kansas City, Missouri, are less than the hauls between points in Minneapolis-St. Paul territory and Kansas City, whereas the hauls of the Southwestern Lines to or from Kansas City, Missouri, using Little Rock as an example, are 160 [fol. 899] miles in excess of the hauls between East St. Louis and Little Rock, Arkansas. Because the hauls of the Western Trunk Lines are substantially less between points in Estherville territory and Kansas City, Missouri, as compared with the hauls between points in Minneapolis-St. Paul Territory and Kansas City, Missouri, and further because the hauls of the Southwestern Lines are substantially greater from Kansas City as Compared with East St. Louis, the Western Trunk Lines have been accorded the same revenue between points in Estherville territory and Kansas City as between Minneapolis-St. Paul territory and Kansas City, so that the Western Trunk Lines are receiving under the present basis of divisions the same consideration for their shorter as for their longer hauls. On the other hand, the Southwestern Lines should rightfully be entitled to greater revenue south of Kansas City as south of St. Louis and they do under the present basis to the extent of receiving the difference in the through

rates Estherville territory over Minneapolis-St. Paul territory (Tr. 5202-5203-5204).

Well, I am merely saying in this case here that I think the basis for these divisions is sound; it works out that way in this case; there's very little difference. I notice on first and second class there's 5.3 cents and 5.9 cents shrink on the part of the Western Trunk Lines and on some of these classes there are no shrinks; it just works out that way. I don't think that the situation where the Southwestern Lines are getting more than their local rates in six our ten cases should exist, as a matter of fact. That is not a sound basis. The Western Trunk Lines should have some more money on that. There is no question about that. But that is exactly the way these divisions work out. I am trying to bring out just exactly the way the present basis works out. I think the present bases for divisions are fully justified under the circumstances, via Kansas [fol. 900] City. Now, I have used the word "basis" there, not the divisions themselves (Tr. 5204-5205).

There are no divisions between points in Estherville Territory and points in Arkansas, except common points. The Western Trunk Lines receive Little Rock revenue to and from Arkansas Common points, so that at the present time no divisions are in effect to or from Arkansas local points via East St. Louis or via any of the gateways mentioned. As to a general basis of divisions. I will have something to say about that feature later (Tr. 5205-5206).

(The statement described by the Witness was thereupon received in evidence as Exhibit A-150.)

[fol. 901] My exhibit No. A-151 covers divisions between points in St. Paul Territory west of the Mississippi River and Little Rock, Arkansas, via Kansas City, Missouri. This is the only gateway via which divisions are carried to and from St. Paul territory west of the Mississippi. It will be observed from Block "C" that the Southwestern Lines receive the same revenue as to and from Chicago Territory west of the Mississippi River; in other words 77% of the Chicago territory through rates which are shown in Block "B" and the Western Trunk Lines receive the remainder of the joint through rates to or from St. Paul territory, west of the Mississippi. I have shown in Block "D" pres-

ent divisions between Chicago territory in Illinois and Cairo-Gale-Thebes, Illinois, received currently by the Western Trunk Lines and I have shown in the same block what the specifics on each class would be for the Western Trunk Lines between Chicago territory in Illinois and East St. Louis, Illinois, if based upon 65% of the specifics to or from Cairo-Gale-Thebes, Illinois. The Minneapolis-St. Paul territory differentials are substantially in excess of the Chicago territory differentials over the base point East St. Louis, Illinois, and if the spread in the current differtials is added to the specifics between Chicago territory and East St. Louis based on 65% of the specifics between Chicago territory and Cairo-Gale-Thebes, Illinois, as shown in Block D, the Western Trunk Lines would receive on first class between St. Paul territory and Kansas City, 72.1 cents per 100 pounds; in other words, approximately what they are receiving today. In other words, in my judgment because the hauls of the Southwestern Lines from Kansas City exceed the hauls from East St. Louis by 160 miles, the Southwestern Lines should receive south of Kansas City, Missouri, the same revenue as to or from Chicago territory [fol. 902] east of Mississippi River, using as a basis the specific shown at the bottom of Block "D." Or, to be more specific, 41.6 cents on first class for the Western Trunk Lines between Chicago territory and East St. Louis, which should be deducted from the Chicago Territory through rate in order to arrive at the proportion for the Southwestern Lines. The remainder of the joint through rates between St. Paul Territory and Arkansas points should accrue to the Western Trunk Lines north of Kansas City, Missouri. The effect of this basis would be to allow the Western Trunk Lines specifics in cents per 100 pounds slightly less the divisions they receive currently. The average of the specifics on the ten classes for the Western Trunk Lines, on that basis should be arrived at and the average of the specifics for the Southwestern Lines on that basis should also be arrived at specifically to and from each Arkansas point and percentages arrived at. This would result in the Western Trunk Lines receiving approximately the same specifics, regardless of origin or destination in Arkansas. This is proper because the rates between St. Louis or Kansas City and Arkansas points under the 9702

scale advance as the hauls of the Southwestern Lines increase, so that the Western Trunk Lines should receive approximately the same earnings in cents per 100 pounds on each class to or from a point in northern Arkansas as to or from a point in southern Arkansas, and the application of the above basis would bring that effect as nearly as it is possible to do so (Tr. 5206-5207-5208).

(The statement described by the Witness was thereupon received in evidence as Exhibit A-151.)

[fol. 903] I would like to have had considerably more time to get into this question of divisions much deeper than I did, but I worked night and day to get as far as I did. The fact that I haven't shown the local rates south of Kansas City in this and other exhibits is more a question of time than anything else. I had to finish up down here and that is the reason I coudn't go into these matters in any more detail (Tr. 5208-5209).

In my Exhibit No. A-140, it is shown that effective October 6, 1913, the combinations over Cairo-Gale-Thebes, Illinois, using proportional rates between Chicago Territory and Cairo-Gale-Thebes, Illinois, and the local rates between the latter points and points in Arkansas were lower than the combinations over the East St. Louis gateway, and in my Exhibits Nos. A-142 and A-143, I have shown that currently the combinations over Cairo-Gale-Thebes, Illinois, are lower than the combinations over East St. Louis between Chicago Territory and points in Arkansas using the proportional rates of the Western Trunk Lines between Chicago Territory and Cairo-Gale-Thebes, Illinois, or East St. Louis, Illinois, and the local rates between the latter points and points in Arkansas. The Westen Trunk Lines may contend that the proportional rates published between Chicago and Milwaukee Territories and Cairo-Gale-Thebes and East St. Louis, Illinois, are merely paper rates, because when originally publisehd and the Tariff now provides that these proportional rates are applicable only on traffic to or from points in Arkansas and Missouri to or from which no through rates are provided. I am referring to E. B. Boyd's Tariff No. 506-G, I. C. C. No. A-1438, which is the current issue, but the previous issues made the same provision (Tr. 5209).

Originally as previously pointed out in my testimony, joint through rates between Chicago, Milwaukee and other Territories were in effect only to and from Arkansas com- [fol. 904] mon points, and the joint through rates to and from Arkansas local points were made by the use of the proportional rates between Chicago and Milwaukee Territories and Cairo-Gale-Thebes, Illinois, and the local rates between the latter points and Arkanas local points, and at that time, or in other words prior to October 7, 1913, the lines between Chicago Territory and East St. Louis received as their division 65 per cent of the proportional rates between Chicago Territory and Cairo-Gale-Thebes, Illinois. On October 7, 1913, joint through rates were established between Chicago, Milwaukee, Minneapolis-St. Paul and other Territories and Arkansas local points by the use of the established differentials previously observed in making rates to and from Arkansas Common points, the effect of which materially reduced the through charges below the lowest combinations previously in effect. Notwithstanding the publication of joint through rates to and from Arkansas local points on October 7, 1913, and a continuation of the joint through rates to and from Arkansas common points, the proportional rates published between Chicago and Milwaukee Territories and Cairo-Gale-Thebes, and East St. Louis, Illinois, were continued, and they are still in effect, although I understand the Illinois Lines are now striving to cancel this Tariff because joint through rates are in effect to and from Arkansas and Southeast Missouri. This Tariff for a number of years has been used primarily as a division sheet because, as previously pointed out, the Western Trunk Lines have been allowed as their division of the joint through rates to and from Arkansas, the proportional rates between Chicago and Milwaukee Territories and Cairo-Gale-Thebes, or East St. Louis, Illinois, and not until September 1, 1923, was this Tariff discontinued as a division sheet; however, the divisions as published in that Tariff as in effect on August 25. [fol. 905] 1920, were perpetuated in Illinois Freight Association Tariff Bureau Division Sheet No. 5, effective September 1, 1923, and published to reflect an advance of 35 per cent on account of I. C. C. Ex Parte 74, because the joint through rates, under the latter order, were advanced

35 per cent as against an actual advance of 40 per cent in the proportional rates, and the divisions so arrived at were then reduced 10 per cent to reffect the general reduction of 1922, so that on and after September 1, 1923, E. B. Boyd's Tariff No. 506-G, I. C. C. No. A-1438, was no longer observed as a division sheet on traffic to or from points in Arkansas. Because joint through rates have been in effect to and from all points in Arkansas on and after October 7, 1913, the Western Trunk Lines now contend, I understand, that the rates published in E. B. Boyd's Tariff No. 506-G, I. C. C. No. A-1438, are merely paper rates. Those are the proportional rates (Tr. 5210-5211-5212).

For the reason that they are paper rates as before stated, the Illinois Lines are striving to have this Tariff cancelled and have issued instructions to that effect although objected to by the Missouri Pacific Railroad, St. Louis, San Francisco Railway and the St. Louis Southwestern Railway. Whether these proportional rates may be termed "[illegible]es" or not, it is nevertheless a fact that these [illegible] been and are filed with the Interstate Commerce Commission, and they have been used, in a great many cases, in establishing joint through rates to and from points in Arkansas and Southeast Missouri that currently reflect the original proportion rates, and while the present rates are not on the full combination of local and proportional rates, they lack being on the full combination basis by reason of the 5 per cent advance made in the proportional rates to the Western Trunk Lines on November 16, 1914, and the 40 per cent advance made under I. C. C. Ex [fol. 906] Parte 74 in the proportional rates as compared with the interterritorial advance of 35 per cent in the joint through rates, however constructed (Tr. 5212-5213).

It is rather significant that the Illinois Lines have only recently attempted to have this Tariff cancelled, and these efforts were made after the institution by the Commission of the proceedings in this investigation. However, be that as it may, the fact has been conclusively established that the through rates on October 7, 1913, were lower than the lowest combination which was over Cairo-Gale-Thebes, Illinois, made by the use of the proportional rates between Chicago and Milwaukee Territories and Cairo-Gale-Thebes, Illinois, as then published in E. B. Boyd's Tariff No. 506-B,